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ABSTRACT

Identifying issues that confront the nation concerning older Americans as an untapped resource of workers, this book is divided into eight chapters. The first chapter discusses the need to change negative attitudes toward older Americans and the second defines older Americans and their relationship to the entire population. The third chapter points out the impact of emerging demographic factors on employment. Chapter 4 suggests developments that could lead to longer involvement of older Americans in the workplace. The fifth chapter presents older workers as an asset and discusses the need to evaluate individual capacities without regard to age. Chapter 6 suggests that older workers are an untapped resource of potential paid, self-employed, and volunteer workers. Identifying action programs and ideas for utilizing services of older people, chapter 7 discusses the involvement of organizations and opportunities in small business. The final chapter analyzes how educational and other cultural institutions can help older people become involved in the social and economic life of the nation. Recommendations are given for (1) action by both the public and private sectors, (2) business organizations and organized labor, (3) self-employment and participation in small businesses, (4) organizations that utilize services of volunteers, (5) policy changes and government action, and (6) educational and other cultural institutions. (LRA)

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ED174754

Older Americans: An Untapped Resource

- Why This Resource Must Be Tapped
- How It Can Be Done

A Report By

THE NATIONAL COMMITTEE ON
CAREERS FOR OLDER AMERICANS

CE 021 323

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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Chairman, National Committee on Careers for Older Americans
Chairman, U.S. Commission on Civil Rights
former Secretary, Department of Health, Education and Welfare
former Commissioner, U.S. Administration on Aging

Mary F. Berry
Assistant Secretary for Education
Department of Health, Education and Welfare

Willard L. Boyd
President,
The University of Iowa

John L. Burns
Chairman,
Subcommittee on Employment for the Young, Old, Disadvantaged and Displaced,
Committee for Economic Development

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Ladies' Home Journal

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Henry L. Lacayo
National Director,
Community Action Program Department,
UAW

Clarence Mitchell
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International Executive Service Corps
Chairman and Chief Executive Officer,
National Executive Service Corps

H. Bruce Palmer
former President, The Conference Board
corporate director and business consultant

J. Henry Smith
Retired Chairman of the Board,
Equitable Life Assurance Society of the United States

Milton D. Stewart
Chief Counsel for Advocacy
U.S. Small Business Administration

Jarold A. Kieffer (Committee Director)
former Deputy Commissioner of Social Security

To purchase a copy of this report send $8.50 to the National Committee on Careers for Older Americans
1414—22nd Street, N.W.
Washington, DC 20037

For further information concerning the Committee or this report write to same address.

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THE
NATIONAL
COMMITTEE
ON
CAREERS
FOR
OLDER
AMERICANS

A summary of the report entitled Older Americans: An Untapped Resource issued by The National Committee on Careers for Older Americans.

Contact: Jarold Kieffer
202-862-1970

The National Committee on Careers for Older Americans calls for reversal of public and private sector policies that have encouraged premature retirement of millions of physically and mentally able older Americans.

The Committee, funded through the Academy for Educational Development by the Edna McConnell Clark Foundation, characterizes the older American as an untapped resource--a resource that the nation can no longer afford to ignore.

Noting that the population age 55 and over will jump from 46 million to 55 million in the next 20 years--an increase of 19%--the Committee urges Americans to adopt positive attitudes in place of the current negative ones in their perceptions of older people. The health of America's economy, the increasing strain on our resources to support Social Security, pensions, and welfare benefits, and the growing problems of older people in keeping up with inflation all require new policies that stop discarding older people as useless and dependent.

The Committee emphasizes the fact that most Americans 55 and over are physically fit and mentally alert and are still able to remain in or resume productive activities in the economy. What is needed, the Committee notes, is for employers to recognize that the capacity of older people to remain productive cannot be judged in general terms. These capacities must be judged

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1414 22 Street, N.W.
Room 602
Washington, D.C. 20037
(202) 862-1970

on an individual basis, and opportunities for the retention or hiring of older people in productive capacities need to be enlarged.

Recognizing the problem of job competition with younger workers, the Committee stresses the special need to expand opportunities for older people to obtain paid jobs of a part-time nature, or to work in self-employed or volunteer capacities. It calls especially for actions that would bring the skills, interests, and experience of older people to bear in dealing with many individual and community problems made worse and more costly by neglect and inadequate attention. The Committee cites as examples the human waste and accumulating costs to society that are resulting from discrimination, functional illiteracy, unemployment and under-employment, crime, delinquency, alcoholism and drug abuse, poor housing, inadequate transportation, alienation, and isolation.

The Committee urges that sustained community efforts be made to train older people to play constructive roles in helping to prevent or reduce these problems that affect all age groups, and to balance any additional costs involved with the social benefits and cost reductions that can result from salvaging human beings and strengthening community life. As a further dividend from such action, society also would gain from the continued productive involvement of older people as an alternative to their being sidelined--a process that speeds physical and mental decay and adds unnecessarily to the numbers of people who become dependent on society for their support.

As a backdrop for its recommendations, the Committee notes that up to now, our social and political system has tended to be preoccupied with the costs

of longer life and the problems of an aging population. However, greater longevity, higher levels of education and better health among older people have combined to open up new views by employers and older people about the span of worklife. What is needed now is an imaginative set of employment policies that seek to promote and gain the benefits to society that accrue from longer life.

The Committee predicts that a combination of factors will encourage more older people now working to remain at work in the years ahead. These include the need to keep up with the wage/salary economy as a hedge against inflation, plus the new statutory right to delay retirement until age 70. Also, many women have been entering the workforce in their late 40's and 50's. They will need to work past age 65 to qualify for meaningful pensions. Finally, with male longevity now extended to nearly age 70 and female longevity to age 77, many more people are arriving at their mid-60's with a desire and the mental and physical capacity to keep active.

The Committee urges employers to recognize these new facts of life and to take leadership in changing outdated policies to produce employment arrangements that are mutually advantageous to both employers and older workers. In particular, the Committee recommends that older workers be judged individually on the basis of capacity rather than age in the matter of further training, development, and promotions. The Committee calls for a reversal of wasteful and counterproductive incentives and practices currently prevalent that encourage early retirement or foreclose older workers from retraining or development programs that would enable them to keep up with new technologies, processes, and markets.

Greater flexibility in job structures, hours of work, and assignments also is urged as a means of recognizing the desire of older workers to stay active. The Committee notes that both employers and older workers could gain from older workers having more options than the ones usually available today, of continuity in the same job, at the same pace, or retire.

Beyond recommending new employment policies to facilitate retention of older workers, the Committee also calls for actions to open up new careers for retired people in paid, self-employed, and volunteer jobs.

To help overcome a long history of discouragement of and lack of opportunities for work after retirement, the Committee proposes that employers and employment agencies mount job and career counseling services for older people. The Committee emphasizes that trained older people themselves can play valuable roles as career counselors and job placement specialists, both for other older people and for people of other ages, particularly the hard-to-employ.

The Committee also proposed:

- Special employer reviews to identify job areas in their operations where productive use can be made of the skills and experience of older people, in either full or part-time jobs;
- Job training programs to help older people update or learn skills that would qualify them for job openings;
- Employer-offered internships to allow older people to test their career interests and capacities for particular lines of work.
- Establishment of close linkages between employers, employment agencies, and educational and training institutions to make sure that job areas

that tend to need workers are well understood by trainers, counselors, placement people, and job applicants, and that the skills taught are directed to meeting employer needs;

- Community action to stimulate older people to engage in self-employed work to meet business and service needs that would strengthen both the economy and the amenities of communities;
- Stronger initiatives by organizations that use volunteers to recruit, train and employ older people.

The Committee calls on the President to assure that the Federal Government as an employer sets a good example to all employers in making effective use of the skills and experience of older workers. Governors and heads of local governments are also urged to be leaders in this respect in their employment policies.

The Department of Labor is urged to provide help to older people in all aspects of the Comprehensive Employment Training Act (CETA), to use older people as training and placement resources to help hard-to-employ youth and others, and to assure that the employment needs of older people are given full attention by the public employment offices.

The Committee notes that years of negative attitudes regarding the employment value of older persons must be overcome. It urges foundations, government and other sources of leadership and stimulation to provide resources for pilot and other programs that could test useful ideas for expanding employment opportunities for older people.

Resources also need to be provided for wide dissemination of the results of pilot programs so that employers, counselors, and educational institutions

can be alerted both to the opportunities potential in older worker employment and to the best available experience that needs to be in mind in order to assure the good results.

Educational and other cultural institutions are called upon to make clear that they are ready and willing to help people prepare for further careers. In addition to opening up their programs in a full and challenging way to older people, these institutions are urged to provide as much counseling and other forms of help to people seeing further careers as they try to provide young people preparing for their first careers.

For copies of the full 87-page report, please call Jarold A. Kieffer at 202-862-1970.

May 14, 1979

Preface

Millions of trained and experienced older people constitute a vast untapped resource of workers—paid, self-employed, or volunteer. They are the victims of ageism.

The National Committee on Careers for Older Americans believes that the continuing waste of this resource is indefensible. Such waste is subjecting income security programs—both private and public—to unnecessary burdens. It is keeping some people below the poverty line. It is depriving our economic and social institutions of the contributions that these people could make as paid, self-employed, or volunteer workers. The whole area of community services, for example, is far weaker than it would be if we were not following such counterproductive policies.

This Committee believes that older people should have the opportunity of being participants—not spectators—in the economic and social life of the nation.

This is an attainable goal.

. . . Employers—both private and public—can judge older people—not on the basis of their age—but on their merits as individuals. If they do, many will be encouraged to remain on the job. Others will be encouraged to become workers again on either a full-time or part-time basis. Approximately four million non-working older people have indicated an interest in such possibilities.

. . . Organizations—both private and public—can seek out and encourage older people to serve as volunteers. Approximately two million non-working older people are receptive to such opportunities.

. . . The Federal Government can intensify its efforts to enforce the Age Discrimination in Employment Act.

. . . Educational institutions—both private and public—can place major emphasis on developing counseling, training, and placement services for

older people seeking new careers. If they do, they will facilitate and expedite the launching of new careers by many older people, as paid, self-employed, or volunteer workers.

. . . Job placement and counseling organizations—both private and public—can help stimulate the interest of private and public organizations in drawing on the skills, experience, and perspectives of older people in various capacities.

Providing genuine opportunities for older people to become involved in the economic and social life of the nation will be a difficult and complex undertaking. It will create some issues in job competition and other problems. However, as noted, a failure to open up these opportunities already is creating and will continue to create increasingly serious financial and social problems for the nation. This Committee is convinced that on balance the benefits that will flow from the process of strengthening the roles older people can play in the nation's life will far outweigh any problems that such a process may create. We cannot benefit in the long run from policies that deliberately put on the shelf people who are still capable of making significant contributions to the productive capacity of the nation.

This report identifies and analyzes the issues that confront the nation in this important area. We realize that in so doing we are adding to the rhetoric. We have included a set of recommendations that we hope will provide the means for translating rhetoric into action.

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Chapter I

The Older American: Replacing Negative With Positive Attitudes

Introduction

Americans have been told by economists and demographers that our population is getting older because more older people are living longer and falling birth rates are reducing the number of young people. This so-called "greying" of America, we are told, will produce profound changes in our economy, our allocations of resources, our culture, and our whole style of living.

Already, these developments have produced a major growth in the scope and costs of public and private programs that seek to provide older people with health care, special services, and income security. These needs and costs will steadily mount as the longer living older population continues its projected expansion.

At the same time, the problem of financing such programs will become more difficult, as the numbers of younger taxpayers and pension contributors continue to shrink in relation to the number of older beneficiaries to be supported or served.

Beyond the pressures arising from these demographic trends, continuing inflation is increasing the costs of service programs for the elderly, lowering the buying power of retirement income dollars, and threatening the self-reliance of many people for whom Social Security and pension income have been the principal means of staying out of poverty.

It is ironic and obviously counterproductive that at the same time throughout our society we follow policies that involuntarily idle so many older people. As a result, we inhibit many of them from providing more of their own support and thereby increase tendencies that force many into greater dependency on others.

In following such policies we have neglected a key fact. Substantial numbers of older people are still physically fit and mentally alert. Instead of be-

ing left to feel steadily more useless, they should be encouraged and helped to remain productively involved in paid, self-employed, or volunteer work in their communities.

The irony in this situation is even more apparent when we consider the fact that for generations Americans have striven to improve health conditions, health care, and diets and have pioneered in the extent to which educational opportunity has been spread among the people. These efforts have been largely successful. They have culminated in the evolution of one of the largest, best educated, physically able, and longest living older populations the world has ever known.

However, just when we should be in a position to capitalize on the considerable asset represented by these able older people in our population—to gain the major dividend that could accrue from longer life—we find ourselves still implementing public and private policies specifically designed to encourage many of them not only to retire from active involvement in productive work, but to retire early. They depart without their employers or other public or private leaders giving much thought either to their possible continued usefulness in their present or related areas of employment or to ways of involving them in further careers as paid, self-employed, or volunteer workers. We cannot afford to continue to follow such counterproductive policies.

For example, all groups in our country are heavily burdened by the discouraging human waste and growing costs that are resulting from discrimination, functional illiteracy, unemployment and underemployment, theft, delinquency, alcoholism and drug abuse, poor housing, inadequate transportation, alienation, and isolation. Through new careers, many able older people could be encouraged to bring into play their wisdom, skills, and experience in dealing with these types of problems.

The nation's attention is focused from time to time on brilliant and powerful leaders of business, labor, and government who, as older persons, commence dynamic careers which last long after retirement from their principal line of work. Similarly, we hear of scientists and engineers who do the finest work of their lives in their sixties and seventies and later. We learn of writers who are old, and masterpieces of art that have been contributed by elders. Professionals, like doctors, attorneys, and professors, often continue important research and practice into their advanced years. It is commonplace now for mature Americans to know relatives or friends who not only have continued to be vital in old age but who are experiencing their best years.

Tragically, the other side of the coin also is commonplace. For whatever personal reasons, many highly trained and talented older people succumb to the depressing expectation that they should withdraw from life. Often the reasons derive from experiences of lay-offs, forced retirement, or simply the absence of invitation. Sometimes these people are subject to their own or others' mistaken notion that their continued presence impedes the progress

of younger people when, in fact, it is the younger people who benefit most by their continued leadership and example. Those who have benefited most by the gifts they enjoy and their training and experience should be especially alert to the importance of continuing their leadership, to finding new and even more important paths for leadership, and to doing everything in their power to assist their similarly talented peers in providing important service to the society.

In this report the National Committee on Careers for Older Americans, whose initial support was supplied from funds provided by the Edna McConnell Clark Foundation, examines the factors that are contributing to our failure to utilize in a constructive manner the resource represented by older people from all walks of life—both those who have occupied positions of leadership and those who have not. The Committee calls for a reversal of our often negative private and public sector attitudes and practices relative to providing paid, self-employed, and volunteer work opportunities for older Americans. It calls for their continued or increased involvement in the social and economic life of their communities and makes recommendations for removing or reducing the impediments to such involvement.

We recognize that many persons are troubled by the possibilities of job competition between older people and members of other age groups. Throughout the report we are sensitive to this issue and approach it in several ways.

Our major thrust is on identifying and opening up opportunities for continued involvement of older people in the economic and social life of the nation. Such involvement can take place in various ways, including full-time or part-time paid employment, self-employment, and work as volunteers. It is clear that competition with other age groups will be at a minimum in the areas of part-time paid, self-employed, and volunteer work.

Some older people, on the other hand, will need to stay in full-time paid work, and others will need and should be provided with new opportunities to do so. Under the Full Employment and Balanced Growth Act of 1978 (Humphrey-Hawkins bill) and other laws older people have the same right to compete for these kinds of job openings as members of any other age group. These rights would be more meaningful under a full employment economy. In the meantime, however, their rights and needs must not be set aside solely because of their age. They must be judged on their merits as individuals. At the same time, however, we believe that every effort should be made to identify employment opportunities for older people, such as those in the area of community services, which, by their very nature, reduce the possibilities of competition with other age groups.

Chapter II

Who Are The Older Americans?

The term "older Americans" is not used in any precise way in American society. In fact, the term is used in many confusing ways. In some government reports and in media coverage, even people age 45 and above are referred to as "older Americans." Demographers group "older Americans" in various ways, from age 55, 60, or 65 and up. There also are categories called the "young old" – those people approximately 60-75 years and the "very old" – those people who are 75 years old or more.

Beyond being included in one or more of these arbitrary groupings, older people defy easy classification. Unfortunately, however, they are stereotyped and usually in illogical and inaccurate ways – by current or prospective employers, fellow employees, organizations that need the services of volunteers, the general public, the media, and, sadly, often by themselves.

Age Has A Bad Name

In common usage – usage that is strongly influential in shaping and maintaining the policies and practices of private and public policy-makers – older people are too often characterized as frail, in poor health, and mentally cloudy. Moreover, they are commonly caricatured as beyond learning new things, testy, absent-minded, slow-witted, and accident prone.

What Are The Realities About the Older Population?
Most older persons are:
– in good to excellent health;
– mentally sharp; and
– capable of learning new things*

Obviously, as people become older they are subject to processes that lead to physical and mental impairments. However, these conditions vary

*Based on observations set forth in *Why Survive?* by Robert N. Butler, M.D. 1975 (now, Director, National Institute of Aging); See also; Jeffrey Sonnenfeld, Dealing With The Aging Workforce, Harvard Business Review, November-December, 1978, No. 81, pp. 81-92.

widely among older people, and for many the type and degree of their impairments are not important barriers to their continuing to be productive paid, self-employed, or volunteer workers.

Diversity of Interests

The notion is widely accepted that older people want to quit work. Indeed, statistics on the large number that retire early are frequently cited in support of this notion.

Some people do want to retire early from active daily work; others, however, wish to work as long as they can. Still others would like to go on working, but with greater flexibility in hours or days of activity. Some would like to continue in their present jobs; others would like a different job in the same organization or career area or, at least, a lighter, less demanding load. Still others want to do something different. Some older people want to continue working full time because they need the money. Others feel they could get by with less income from a part-time job. Some would like to do volunteer work in their communities; others would like to do this kind of service work but need to be paid something to help meet their out-of-pocket costs.

Some readily accept the idea that older people routinely should step down in favor of younger replacements; others retire only because they feel their employers and fellow workers expect them to do so, and incentives have been provided to encourage them to leave as early as possible. Many want each person to be judged irrespective of age on the basis of his or her individual capacities and personal desires. There is a growing recognition of a need for more options for older people to earn money, to serve as volunteers, or to keep active in other useful ways.

What if Jobs Were Available? Who Might Be Interested?

Would substantial numbers of older people really take advantage of increased work options if the opportunities were available? No one can say for sure how many would respond.

The Harris Survey of 1974* found that out of 21 million Americans aged 65 and over at that time—

- 9 million were 75 years and older;
- 2.8 million of those 65 years and older (including one million who were 70 years & older) were working;
- 4 million people 65 years and older (3 out of 10 of this age group) who were not working said they wanted to work;
- 4.5 million people 65 years and older were working as volunteers; and
- another 2.1 million people 65 years and older who were not working, said they were interested in volunteer service.

**The Myth and Reality on Aging in America*, a study for the National Council on the Aging, Inc. by Louis Harris and Associates, Inc. Prepared in 1974.

The most recent Harris study, released in February, 1979* found:

- 88% of current employees and 67% of the business executives surveyed felt that nobody should be forced to retire because of age;
- 51% of the employees surveyed want to continue working in some capacity rather then retire;
- 48% in the age group 50-64 wish to continue working after age 65;
- 46% of those already retired would prefer to be working; and
- 53% of those retired wish they had never quit.

The answer to whether older people would really respond to work opportunities depends on whether meaningful work options are absent or very limited for older people. If they are denied meaningful roles and fair treatment on training, development, and promotion, they will likely view the whole subject with disinterest or frustration. If on the other hand, productive roles—paid, self-employed, or volunteer—are available to them, the whole picture will change.

Need for a New Appraisal of the Roles Older People Can Play?

The time has come to acknowledge that we have victimized many older people and hurt our national interest generally by following policies and practices based upon use of erroneous stereotypes about them. Now, we must quicken public awareness as to the prompt need to correct such policies and practices that have sidelined so many. We must adopt new policies and practices developed from a fresh appraisal of the numbers, capacities, and interests of older people and what they can contribute to the economic and social life of our communities.

*1979 *Study of American Attitudes Toward Pensions & Retirement*, a Nationwide Survey of Employees, Retirees, & Business Leaders, commissioned by Johnson & Higgins; conducted by Louis Harris & Associates, Inc; February, 1979. Also, see testimony of Louis Harris, Hearings of the House Select Committee on Aging, February 28, 1979.

Chapter III

Emerging Demographic Factors and Their Impact on Employment

The following bar chart shows the age distribution of the total U.S. population – past, present, and projected – by various age groupings. It shows in percentage terms:

. . . the sharp expansion in the 65 years and over group already under way;

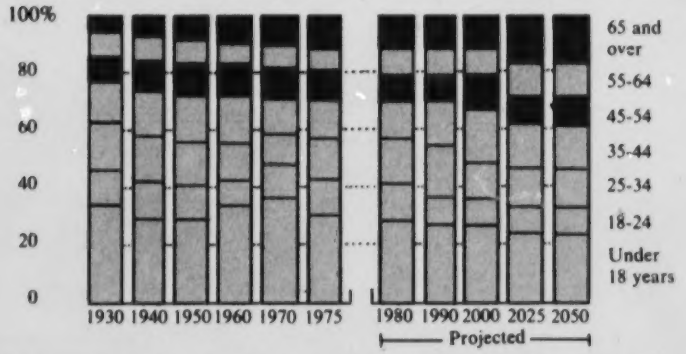
. . . the gradual expansion in the 55-64 group for the next 20 years;

. . . the significant expansion of the 45 and over group after 1990; and

. . . the considerable expansion in the 25-44 group after 1970 and shrinkage after 1990; and

. . . the steady decline in the group under 25 years of age from its percentage high in 1979.

Age Distribution of Total Population: Past, Present, and Projected*



* Based upon Bureau of Census figures, and reprinted with permission from *Older Workers and Retirement*, Conference Board Research Report No. 738, by Shirley Rhine. International Copyright 1978, The Conference Board, Inc.

Increase in Numbers of Older People

The following table shows the actual and projected build-up in the population age 55 and older from 1960-2000.

Numbers of U.S. Population 55 Years and Older
(in 000's)

	ACTUAL		PROJECTED *		
	1960	**1970**	**1980**	**1990**	**2000**
Total U.S. Population	181,000	205,000	222,000	243,500	260,400
Total Numbers 55+ and Percent of Total Population	32,132 (17.9%)	38,804 (19.0%)	46,125 (20.8%)	50,601 (20.8%)	55,079 (21.2%)
By Age Group					
55-64	15,572	18,648	21,198	20,776	23,257
65-74	10,997	12,465	15,493	17,804	17,436
75 and older	5,563	7,691	9,434	12,021	14,386

Percentage Expansion of Older Population: 1980-2000*
(In 000's)

	1980	**2000**	**Increase**	**Percent of Increase**
Age 55 and above	46,125	55,079	8,954	19.4%
Age 65 and above	24,927	31,822	6,895	27.7%
Age 75 and above	9,434	14,386	4,952	52.5%
Age 80 and above	5,110	7,992	2,882	56.4%

Rapid Build-Up In Very Old Population

While the people in the age 55 and over population will increase over 19% in the 20 year period-1980-2000, the fastest growing group within that category will be the people age 80 and above. In 1980, they will number 5.1 million. By the year 2000, this population group (those now 60 years and older who survive) will have expanded to a total of nearly 8 million—an increase of over 56%.

In 1980, the people 75 and older will number almost 9.5 million. By the year 2000, this population group (those who are 55 and older in 1980 and

*Based on Table 8 Series II projection in 1977 by Bureau of the Census; See Annual Projections of the Population by Age, Sex, & Race for the U.S.: 1977-2000.

survive) will have increased to almost 14.4 million—a growth of 52.5%. The 65 and over population will have increased by 27.7%. This projected build-up in the older population takes on steadily greater significance when linked with other related trends that will be in motion in the same 20 year period.

Reduction in the Under 25 Year Old Population

While from 1970 to 1976, the number of people 65 years and over grew by 3 million or a 14.8% increase, in the same years the number of children under 14 dropped by 5.5 million, or a 10.3% decrease. From 1960 to 1977, the percentage of people under 20 years dropped from 40% to 33% of the total population, and the actual number of high school age youth began to drop. This trend will continue for more than a decade. In 1977, the number of youth in the ages 15-19 was 21.2 million. The figure is projected to decline year by year until 1992, when it will reach a low of 16 million.

The wave-like impact of these changes on the size of the next age group—those in the ages 20-24—is shown clearly in the table below developed from *U.S. Census Bureau* data.

Numbers in Ages 20-24	*Birth Years*
In 1970—17.1 million	1946-50
In 1977—20.1 million	1953-57
In 1985—20.5 million	1961-65
In 1990—17.9 million	1966-70
In 2000—16.9 million *	1976-80

The age 20-24 population will build up until 1985, reflecting the high birth rates of the 1950's and early 1960's. By the later 1960's, birth rates began to decline sharply, and this will be reflected in the shrinkage of the 20-24 year-old population from the mid-1980's on.

Impact of Demographic Trends on Employment

Seemingly, the projected decreases in the number of youth who will be available for the workforce in the decade ahead should have begun to turn the attention of employers and other manpower planners to the older population as a source of additional workers. However, the U.S. economy, while absorbing millions of additional women who have come into the workforce in recent years, has been unable to provide enough productive, long-term jobs for many others who have sought work. Unemployment persistently has ranged from near 5% to 8% for many years, with youth unemployment (especially minority youth) running substantially higher. Moreover, these figures do not include many additional people of all ages who need more income but are considered unemployable for various reasons, and others who have been unable to find steady work over a longer period and have stopped looking.

* If current low fertility rates continue to 1980, the size of the 20-24 year old population in the year 2000 could drop as low as 15.5 million.

Uncertain Impact of Immigration

Immigration is a further factor in the unemployment picture. Demographers and immigration officials are unsure of the full extent of the combined legal and illegal entry of immigrants. They do agree that (1) both legal and illegal immigration has been substantial; (2) these people tend to be young; (3) they have been the source for filling many lower paying service jobs; (4) they are rapidly dispersing throughout the country; and (5) they have added to the numbers of hard-to-employ youth. Undoubtedly, young immigrants, whether they entered legally or illegally, will tend to offset the drop in the numbers of young people in the workforce currently projected by government agencies.

Departure of Older Men From Workforce

From the 1950's on, steadily larger numbers of men retired at the retirement eligibility age of 65 under the maturing Social Security system and/or pension systems. In 1961, Congress, in an effort to encourage workers to retire and open up jobs for others, allowed men under Social Security to retire as early as age 62. Early retirement practices also developed in the pension area through labor-management bargaining. Moreover, these liberalized Social Security and pension features permitted many men to retire who had been unable to find steady work or who were layed off and could not find satisfactory jobs. The combination of these factors produced a remarkable departure of older men from the workforce.

In the year 1900, not many men survived past age 65. However, 63% of those who did survive remained in active work. The table below shows the steep drop in workforce participation by men over 65 years in the post-World War II period. While, recently, the actual number of men 65 and older remaining in the workforce has shown a slight increase (possibly because of what inflation is doing to retirement living costs), the percentages of men 65 and older who remained in the workforce still dropped over 6% from 1970 through 1978.

Percent of Men 65 and Over in Workforce *	*Total Numbers*
1900 – 63.1%	987,000
1947 – 47.8%	2,376,000
1950 – 45.8%	2,453,000
1960 – 33.1%	2,287,000
1965 – 27.9%	2,131,000
1970 – 26.8%	2,164,000
1975 – 21.7%	1,906,000
1976 – 20.3%	1,816,000
1977 – 20.1%	1,845,000
1978 – 20.5%	1,923,000

* *Source* – Bureau of Labor Statistics, U.S. Department of Labor

The Trend To Early Retirement

Both public and private employers have moved in recent years to facilitate early retirement. The practice has been used to keep employment and promotion channels open, to ease out deadwood, and to facilitate reductions-in-force. For men in the 55-64 age group, 90% were at work in 1947. Today, the figure has declined to 74%. Indeed, today two-thirds of all people applying for Social Security retirement benefits are doing so before age 65. Retirement of workers in their mid-50's is common in many parts of business and industry, military service, and civilian government. Also, as noted above, many workers who have been unable to find or keep steady work have chosen to use their early retirement option under Social Security or, they have applied for disability benefits under the program.

Growing Disability Rolls

Recent studies by the Social Security Administration show that to some extent the sharp increase in the workloads of its Disability Program in recent years was a direct result of many discouraged workers choosing to apply for disability benefits. Thus, the Disability Program has become another avenue for early retirement. Of the 2.8 million people on the disability rolls in 1977, one third, or 850,000 were at ages 60-64, and an additional 1,000,000 were at ages 50-59. Currently, the rate of build-up of these rolls is slowing appreciably, suggesting that the build-up may have been a temporary reaction to the 1974-75 recession.

Increase of Women in Workforce

As noted above, some of the increase in early retirement is being offset by large numbers of women coming into the workforce. However, in 1977, only one woman in 12 stayed after age 65. On the other hand, with the rapid increase in women workers, plus their greater longevity, the number continuing to stay at work after 65 is likely to increase markedly in the years ahead.

Impact of the Baby Boom on the Workforce

Note has been made of the steady build-up in the numbers of people 55 and over and of the projected drop in the numbers of young workers. In between these groups, the population in the ages 25-54 will increase substantially in the 1980's. The so-called "baby boom" of the late 1940's, which continued until the mid-1960's, will produce a 29.5% increase in this middle population group between 1977 and 1990. In the same years, the number of women in this group will increase by nearly 29%.

MEN AND WOMEN AGES 25-54 (In Thousands) *

(Excludes various types of institutionalized populations and military personnel)

	Actual		*Projected*	
	1970	*1977*	*1985*	*1990*
Men	33,592	37,885	44,714	49,240
Women	8,453	40,574	47,363	52,067
Total	42,045	78,459	92,077	101,307

* Data from Bureau of Labor Statistics, U.S. Department of Labor, 1978.

While the participation of men age 25-54 in the workforce dropped slightly from 95.8% to 94.2% from 1970 to 1977, the participation of women age 25-54 jumped in these same years from 50.1% to 58.4%. Moreover, the U.S. Bureau of Labor Statistics estimates that by the end of the 1980's, as many as 69 to 76 percent of the women in these ages may be in the workforce.

These figures show that the dominant feature of the employment picture during the 1980's will be the job needs of the age 25-54 group, and particularly the job needs of the increasing majority of women within that group. This Committee has kept that fact in mind as it considered means for enlarging the opportunities for older Americans to be productively involved—on a paid, self-employed, or volunteer basis—in the economic and social life of the nation.

At the same time, the Committee has been mindful that while the percentage of people age 55 and above will increase only slightly in the total U.S. population from 1980 to 2000, their actual numbers will increase over 19%—from 45 to 55 million. The retirement income needs of this population will have to be provided from one or more of the following: personal savings, annuities, and other accumulated assets, Social Security benefits, pensions, and welfare. During the next two decades, the burdens on the Social Security, pension, and welfare systems will continue to mount. These burdens can be reduced to the extent that employment and other policies are devised now to encourage as many as possible of the people currently in their 50's and 60's to continue to work and provide more toward their own retirement income needs.

Chapter IV

Developments That Could Lead To Longer Involvement Of Older People In The Workforce

We have come to accept early retirement as a fact of life. Two-thirds of the people currently retiring under Social Security are retiring early, that is, prior to age 65, and many others are retiring in their mid-50's under public and private pension plans.

We have also come to accept as a fact of life that once people have retired, for many of them there is no reentry into the workforce.

Up to now employment statistics support the recognition and acceptance of these two facts. As noted earlier, over the last thirty years there has been a significant decline in the number of older people in the workforce.

We are on thin ice, however, if we assume that these facts are not going to be replaced by new facts. There are presently factors at work that can reverse the trend toward early retirement and that also are likely to bring back into the workforce some of those who already are retired.

Increased Longevity

More people are living longer in good physical and mental health. Growing understanding of this fact is changing the thinking of older people about the feasibility of further careers. Also, it is causing many policy-makers as well as older people themselves to question the current policies that encourage retirement. The marked increase in both male and female longevity is shown in the following table:

AVERAGE LIFE EXPECTANCY (AT BIRTH)

(Data from National Center for Health Statistics)

Year	*Men and Women*	*Men Only*	*Women Only*
1900	47.3	46.3	48.3
1940	62.9	60.8	65.2
1960	69.7	66.6	73.1
1970	70.9	67.1	74.8
1976	72.8	69.0	76.7
1977	73.2 est.	69.3 est.	77.2 est.

Beyond these figures on average longevity at birth are further developments that provide interesting new perspectives bearing on notions of retirement and on the span of worklife.

Lower Mortality Rates

We have managed to extend the longevity of adults who were born at times when average longevity, according to earlier projections, was expected to be much shorter.

- 75% of the population now reaches age 65; only 40% did in 1900.
- Life expectancy for males who reach 65 today is 13.7 years more; for females – 18 years more.
- In 1971, the Bureau of the Census estimated that by 1980, the number of Americans 65 and older would total just under 22 million. However, the Bureau's 1977 estimate now places that figure at almost 25 million.
- Comparably, for the year 2000, the 1971 estimate for the age 65 and over population was 28.8 million. Now it is projected at 31.8 million.

Increase in Population 75 and Over

The numbers of people 75 years and older also are going to be larger than had been expected after the 1970 census.

Changes in Projected Numbers of Americans 75 Years and Older: 1980-2000

(Actual Numbers in 1970: 7.7 million) *

For Year	*1971 Projections*	*1977 Projections*
1980	9.0 million	9.4 million
1990	10.7 million	12.0 million
2000	12.4 million	14.4 million

* U.S. Census Bureau

Impact of Increased Longevity on Attitudes Toward Retirement

For many years, both employees and employers, as a consequence of widely adopted public and private policies and practices concerning retirement age, have been neglecting the emerging fact that more men were living well past the normal retirement age of 65 and that women were living even longer. The belief that active life for most people pretty much closed down at age 65 has been widely held. Acting on this belief, many men retired early in the hope of enjoying their few remaining years free of work stress; others retired early in order to do something else job-wise "while they still could."

Today, many males 55 years of age, rather than facing a few years of retirement and then death, are now pondering what best to do with 15 to 20 more good years. For women, the new vista is even longer.

Also, there is a growing recognition of the soundness of the conclusion reached by an American Medical Association study; namely, "that a direct relationship exists between enforced idleness and poor health."

At the same time, employers are beginning to recognize that many people in their 60's can still be considered good risks in terms of further promotion, training, and development, or as new hires.

Impact of Inflation on Attitudes Toward Retirement

America has been through many periods of inflation, and the loss in the value of the dollar always was especially harmful to people on low; fixed incomes. However, the current period of persistently high inflation differs from past situations in at least two important respects:

1. Unprecedented numbers of older people have dropped out of the workforce and, therefore, are not in a position to share in wage/salary increases to help them keep up with the inflation in their living costs; and
2. The combination of greater longevity and earlier retirement has added considerably to the length of retired life for many, during which their retirement income continues to be vulnerable to inflation and more assets are drawn down trying to get by.

Only the cost-of-living increases provided to beneficiaries of the Social Security system have kept large numbers of them from poverty. However, for many persons who get only the minimum benefit, living costs are increasing faster than the relief that comes to them through the once-a-year upward adjustments from Social Security. Even some of the people who have higher retirement income from combinations of Social Security, pensions, and annuities are not keeping up with inflation, because most pension sys-

tems or annuity arrangements do not provide cost-of-living adjustments.* Therefore, continued inflation is leading many retired people to look for opportunities to earn extra money as an alternative to going on welfare or asking help from their children.

Continued inflation, also will compel increasing numbers of older workers to consider delaying retirement for as long as possible. The right to consider this alternative is one of the benefits that accrues to older people as a result of new laws that either raise the age for mandatory retirement or make illegal public or private personnel policies that require retirement at a specified age.

Impact of Entry to Workforce of Large Numbers of Middle-Age Women

Many of the women entering the workforce in large numbers in recent years are in their 40's and 50's. Most of these workers had not accumulated many pension or Social Security entitlement credits in their past work experience. Therefore, to earn meaningful benefits, they will have to stay at work well into their 60's and early 70's.

Impact of Funding Problems of Retirement Income Systems on Early Retirement

The Social Security retirement and survivors program and most public and private pension systems were not originally designed to support the numbers of retired people that are in prospect, the lengthened periods they or their surviving spouses are or will be drawing benefits, and the cost-of-living increases some retirement income systems are now providing.

This situation will lead to efforts to discourage early retirements. Such efforts will intensify as public and private administrators and members of legislative bodies become more and more concerned about the fiscal problems confronting these retirement income systems.

Social Security Funding Problems

In earlier demographic assumptions about Social Security funding arrangements, the expected substantial build-up in the 1960's and 1970's in the number of workers in the age 55-65 category was calculated as a positive factor.

Planners assumed that the bulge in the numbers of workers of that age group would lead to a heavy build up of Trust Fund contributions from them and their employers. It was further assumed that these Trust fund contributions and the earnings on them would provide enough money to handle the benefit requirements of these workers during their relatively short longevity after retiring at age 65.

*In the Louis Harris study for Johnson & Higgins released in February, 1979, the survey indicated that 84% of all retired people feel that inflation is reducing their standard of living. Among the retired who do not have pensions, 53% reported they were in desperate shape. Over one in four of those who have pensions feel the same way.

Instead, since large numbers of these workers have been retiring early and living longer, they not only stopped being contributors to the Trust Fund at an earlier time than expected, but they then moved over to the beneficiary side and have been receiving benefits from the Trust Fund for a longer period. This unexpected development is still underway.

Consequently, the resulting and projected drain on the Trust Fund reserves, combined with the drop in contributions on account of the 1974-75 recession, were two of the chief causes for the future funding crisis that confronted the system in 1977. For this reason Congress enacted and the President signed into law the substantial Social Security tax increases, the first part of which became effective in January, 1979. The actuaries estimate that these increases will keep the system in a sound fiscal condition through the turn of the century.

Greater Pressure on Payroll Taxes and Pension Contributions

Currently, the method followed by Congress to assure the continued financial integrity of the Social Security system is to increase periodically both the payroll tax paid by the working population and employers and the amounts of wages and salaries subject to the tax each year. To the extent that other public and private retirement systems have confronted the financial integrity issue, they have sought to increase contributions by both employees and employers, or employers have taken on most or all of the added costs as a further business expense.

The methods followed to deal with these issues have become the subject of considerable controversy. Some of the working population, which is steadily shrinking in relation to the growing numbers of beneficiaries, are troubled by the larger reductions in take-home pay. Employers are troubled by the higher costs of labor that develop as payroll taxes and pension fund contributions steadily mount and by the implications such higher costs have for trying to maintain competitive pricing in both the home and foreign markets.

Inadequate Retirement Income As a Deterrent to Early Retirement

The 1979 Harris Study, to which reference has been made earlier, makes it clear that fear of poverty increasingly is acting as a deterrent to early retirement. This fear is well grounded. While Social Security and pension programs have done much to reduce the numbers of people in poverty, sizeable numbers of older people get inadequate income from these sources and need public or private welfare help.

- Only 29% of all people age 65 and over receive private or government pensions;
- In 1976, more than one in ten (11%) married couples and nonmarried persons age 65 and over got no Social Security benefits;
- In 1977, one in seven persons age 65 years and over had income at or below the poverty line;*
- Two out of every three persons with incomes below the poverty line were people age 65 or over;
- In September, 1978, approximately 2 million persons age 65 years and over were getting welfare help from the federal Supplemental Security Income Program (SSI), even though 70% of them also got Social Security retirement or survivors' benefits.**

Also, Census Bureau and other studies show that people in the ages 55-64, who retire or lose employment, tend both to stay out of work longer than those in other age groups and have a high poverty rate. Nearly one out of six retired persons, in the 60-61 age group, is in the poverty category.

These facts constitute another reason for changing public and private policies that either encourage or force workers to leave the workforce at an early age. There are no advantages resulting from such policies that can offset the disadvantages that arise from adding unnecessarily to the number of persons on the nation's poverty rolls.

In addition, these facts point to the necessity of both public and private employers eliminating policies of age discrimination in employment and of adopting positive policies designed to encourage older workers to return to active work on either a full-time or part-time basis.

Social Security Retirement Deferral Credit

In this connection, Congress recently strengthened Social Security Act incentives designed to encourage workers to remain in the workforce for longer periods of time.

Until its 1977 amendments, the Social Security Act provided a delayed retirement credit of 1/12 of 1 percent for each month that a worker deferred receiving retirement benefits after age 65 and up to age 72, or up to 1 percent per year. In other words, a worker who kept working after age 65, was entitled to a boost in his or her retirement benefit by up to 1 percent a year for each year worked after age 65.

Under the new 1977 law, the credit has been increased to 1/4 of 1 percent a month, or up to 3 percent a year after age 65. Also now, if a worker gains the credit by working after age 65 but then dies, the eligible survivor will get a higher benefit. Finally, the law now offers the Deferred Retirement

* Bureau of Census Consumers and Income Services, P. 60 #116, July 1978 Advance Report: "Money Income & Poverty Status of Families and Persons in U.S." 1977, Table 14, Page 20.

** *"Supplemental Security Income Statistics"* Social Security Administration, 9/78, Table 7, p. 8.

Credit to workers who took reduced benefits by retiring before age 65. To get the credit, they must return to Social Security covered employment after age 65 for at least the time required to earn enough to have some benefits withheld under the Retirement Test.

Impact of Age Discrimination in Employment Act on Retention of Older Workers

The Age Discrimination in Employment Act has been amended so that, effective January 1, 1979, it is unlawful in non-federal employment to force the retirement of a worker on the basis of age prior to age 70. Compulsory retirement on the basis of age, except for a few classes of positions, has been abolished in federal employment.

Also, stronger emphasis on the enforcement of the Age Discrimination in Employment Act is a part of a recent Presidential reorganization plan, approved by the Congress, which transfers enforcement responsibilities from the Department of Labor to the Equal Employment Opportunity Commission. Workers will recognize to an increasing extent that they can obtain relief from personnel policies that discriminate on the basis of age. This in turn will encourage more of them to stay in active employment.

Some Questions That Need To Be Answered

In summary, it is clear from the above discussion that there are forces at work which will reverse what up to now has been a trend to early retirement, and lead to increasing emphasis being placed on the re-entry to the workforce of some persons already retired.

This means that employers, and in some cases labor unions, will need to be prepared to answer questions such as the following as they adapt their personnel policies to what are emerging as new facts of life:

- What ways can be devised to continue using the skills and experience of older workers to best advantage?
- How and at what points can more individualized judgments be made on an other than age basis as to who shall continue to be considered for promotion, training, and development?
- What arrangements can be made to avoid discouraging the employment and advancement of younger workers as older workers stay at work longer and remain fully eligible for promotions, training, and development?
- How will fringe benefit packages be modified to reflect the greater longevity of older people, the longer spans of work age such greater longevity will permit, and the income and insurance needs of people living and working longer?

Also, as has been pointed out in this Chapter, the ravages of inflation will force some who have retired to seek re-entry into the workforce. This fact of life gives rise to questions such as the following:

- By what means can the private and public sectors provide adequate full-time and part-time paid jobs for increasing numbers of men and women 55 years and older?
- In what ways will employer policies and union agreements have to be modified to provide additional flexibility and work options for older workers?
- Can additional employment of older workers be accomplished without arresting or at least slowing current tendencies in industry and government toward job reduction through use of labor-saving technologies and processes?
- How can fringe benefits be structured usefully and cost effectively to meet the needs of older people who work part-time?
- What steps can be taken to encourage older persons to develop skills that could be helpful in enabling them to earn income in self-employed capacities?

Chapter V

Older Workers: An Asset — Not A Liability

"Older workers are a liability rather than an asset"—this is the view expressed or unexpressed, that motivates many public and private administrators.

This attitude must change. It must change because it rests on an unsound premise. As previously noted, while older people differ in capacities, most are in good to excellent health and are mentally alert. Indeed, conditions in these respects are continuing to improve year by year. Also, the numbers among them who have a high school, college, or post-graduate education are steadily growing. Most older people have the capability of learning new things. Collectively, they constitute a large pool of skills and accumulated experience and perspective. The projected increase in the numbers of older people in the workforce should turn the spotlight on the necessity for making changes in some old personnel policies that are based upon age discrimination. What is needed now are new policies designed to stimulate and encourage the older worker. If such changes do take place, administrators, based on their experiences, increasingly will look upon older persons as an asset—not a liability.

Age Discrimination in Selection of Employees for Training, Development, and Promotion

In some industries and government agencies changes happen so frequently that substantial aspects of worker knowledge and experience become nearly obsolete or irrelevant every five years or so. Workers who are not given the opportunities for the necessary training to meet the new requirements are automatically consigned to the "deadwood" category. Also, a worker's morale, and, perhaps, the worker's whole future are blighted, if opportunities for promotion are closed out.

Yet, despite the federal Age Discrimination in Employment Act, it has been a fact that in both private and public employment many older workers are routinely denied opportunities for training, development, and promotion. This situation has developed because of age prejudice and because employers have assumed that most workers would retire before age 65; therefore, further investments in them would be wasteful.

End-Of-The-Line-Droneships

Consequently, the last years of employment for the "about to retire" or the "about-to-be-retired" are all too often a kind of droneship, in which not much productivity is expected. Low priority and often useless work assignments frequently are made to fill up the remaining time. In these circumstances, many such older workers tend to become time-servers with low morale, who have banked their fires and have stopped trying hard because they have judged properly that it makes no difference.

The Costs of Droneship

The period of droneship costs employers in terms of low productivity. It also costs employers in other ways. Some of the best of the older workers will take advantage of early retirement opportunities rather than put up with these conditions. Droneships also waste the skills and experience of those who remain. While they await retirement, they still occupy space and personnel slots, and take up time of other employees and of supervisors. That this tends to happen to both older employees of ability and non-ability in more or less the same way, is a further indication of the illogical and impersonal nature of the practice, and it helps to give age a bad name in the eyes of the young. Indeed, treating older people in this way often proves to be disturbing to younger employees. Undoubtedly, some younger employees view older workers as impediments to their own advancement. However, the morale, standards, and motivations of many are often undermined by seeing first hand how older workers are cast aside. They realize that such treatment lies ahead for them, too, after years of hard work.

Longer Periods of Droneship?

Now, under the new mandatory retirement legislation, the time before retirement will be extended for older workers who wish to stay on. The extensions may be for many years. For example, in private industry a 55 year old worker could stay on as much as 15 more years—to age 70. A federal worker of the same age could stay on indefinitely. Thus, unless employers change the way they tend to regard and use older workers, the new legislation could have the unintended effect of simply extending for years the time-serving droneship periods that older workers would have to endure before finally retiring. Such conditions could produce cost and morale consequences that would be intolerable to employers and employees alike.

The Need to Evaluate Individual Capacities Without Regard to Age

The development and use of effective means for judging competency of workers is a perennial weak spot in personnel management. Even where useful techniques have evolved, they tend to fall into disuse precisely because they take more time and careful, individualized attention. This tendency must be reversed. It must be reversed so that sound individualized judgments can be made early and continuously in the work experiences of employees. It is clearly in the interest of management that it be in a position to act on early warnings regarding employees who show non-remedial tendencies to function poorly as workers, supervisors, or executives, and who, unless reassigned or separated promptly, eventually become protected by formal or informal seniority systems. It must be reversed so that older people, as well as members of all other age groups, will understand that they will be judged on their merits and not on their age. The knowledge that this is being done will encourage able older people to continue to work.

New Assignments for Older Workers

Under current policies, most older workers have only one alternative to continuing actively at work—retirement. Rarely, do employers provide them with the alternative of undertaking different and challenging assignments—assignments that are consistent with, and take advantage of their years of training and experience.

Changes in mandatory retirement laws are requiring and will continue to require a re-thinking of this wasteful approach. Both the challenge and the opportunity will be how to make the most advantageous use of the talents and experiences of the older workers who wish to remain employed.

Every organization has nagging planning or operational problems that have eluded its leaders because of conceptual difficulties, lack of time or other resources, or lack of sustained, high level attention. In other cases, new or more intensive product or market development opportunities may be begging for attention, but leaders and their staffs may be preoccupied with other problems. Not uncommonly in these situations, what is most needed to fill the gap are people who have time, mature and critical judgment, fresh insights, and intimate knowledge of their organizations, people, and other resources. Task groups of competent older executives and other employees could be developed to assess these problems or opportunities and to fashion workable responses. Many older people would welcome this kind of a challenge, either as a change from their current duties or as an alternative to retirement.

All organizations face major training opportunities in the years ahead, as they confront growing quality control problems and new demands growing out of rapid changes in technologies, processes, and government regulations. Here too, the skills and experience of able older workers, rather than being totally lost through retirement, could be employed directly to help fill the need to train and counsel employees to cope with changing job demands.

New and challenging assignments of these types can be made more workable if employers enlist the cooperation of other offices in the same organization or of related institutions, each one of which may have different needs that could be served by help from able older persons who do not wish to retire. Done deliberately and imaginatively the process of moving people to new assignments can be both dignified and productive in improving the affairs of organizations. If done ritualistically and without care, the process will be counterproductive.

More Flexibility In Work Scheduling

Some older employees, rather than retire, may want to continue working full time but arrange the hours more flexibly; others will wish to cut down the total number of hours so that they can pursue educational, other cultural, or recreational interests. Some will want to perform the same type of functions but work for shorter periods and less pay; others will wish to be relieved of certain functions or change the mix of the things they do. Finally, some older workers will want to begin the process of retirement, but on a step-by-step basis over a number of years.

In the past decade, many private and public organizations have experimented with work arrangements to attract and hold employees by accommodating to their needs. These have included flexible times for working, the sharing of the same job by part-time workers, the restructuring of jobs, shortened work weeks, leaves of absences, dispersal of work locations (including allowing some work to be done at home), and the handling of peak hour or extra seasonal loads by use of more part-time employees.

Not all employers will be able to satisfy these types of employee preferences. Also, employees of other ages may need equivalent flexibility. Necessary judgments and arrangements by management will have to be made on a case-by-case basis, and cost effectiveness and operational manageability may have to be given priority in some instances. It is important, however, for the judgments, in these situations, to be made on the merits of each case, without regard to age.

More Gradual Retirement Options

For older workers who are under pension systems, the question of retiring or staying on longer may be tied closely to concern about growing inflation. Stepping out of active employment usually means a quick and steep drop in income, and that reduced income quickly loses some of its buying power under the pressure of inflation. In these circumstances, some older employees who would prefer working part-time will feel they have to delay their retirement and stay on full-time because the only alternative is to retire. Those limited alternatives are not always advantageous to the employer either.

To give both employees and employer more options, some companies have tried gradual retirement arrangements in which the employee progres-

sively turns over responsibilities to others and either begins to work part-time or elongates his or her vacation periods. Over a period of years, the employee's earned income steps down progressively. In some instances, the employer provides the gradual retiree a mix of earned income and pension income, which changes year-by-year until only pension income is received. For some employees, gradual retirement may provide a useful bridge to new careers, which they can begin testing in the time away from their primary employment. For employers, gradual retirement arrangements can open up opportunities for personnel changes, reallocations of functions, and a useful orientation overlap between the outgoing employee and his or her replacement.

Providing Assistance In Preparing For New Careers

Some older workers have a desire to become involved in new careers on a paid, self-employed, or volunteer basis. Typically, this is regarded as their business and not the concern of the employer. This indifference is another manifestation of the feeling that the older person is not one of society's assets.

Employers can encourage and assist those workers who are interested in pursuing new careers. They can be of real help in the areas of counseling, training, and placement. Such recognition of the older worker's hopes and aspirations would have a positive impact not only the older persons in the organization but on other employees as well. It could make possible a transition to a new career in such a manner as to work to the benefit of both the employee and the employer.

Adjustment of Pension and Other Fringe Benefits

In several fringe benefit areas the needs of younger and older workers differ. Personnel policies and practices need to be adjusted to allow for these differences.

Some older workers have less need for life insurance, but others desire more pension build-up. Comparably, in the areas of health insurance, workers in their late 50's and early 60's have fewer dependent children to cover, and some have lost their spouses or are divorced. Older workers eligible for Medicare usually are interested in group insurance plans that provide help in meeting health costs not covered by Medicare.

Congress has recognized some fringe benefit distinctions that can be based upon age. The Age Discrimination in Employment Act does permit age-based reductions in employee benefits where such reductions are justified by actuarially significant cost considerations. However, in these cases, the employer must show that even though the benefits may differ as between older and younger employees, management is paying approximately equal costs to buy the benefits for both groups.

The matter of continued pension build-up probably will require special attention in view of the new age-related mandatory retirement law. Currently,

the Department of Labor is interpreting the new mandatory retirement provisions to mean that employers are not required to provide continued pension entitlement build-ups for employees who stay at work past "normal retirement age" (generally age 65). However, some older workers will want to stay on the job precisely in order to get higher compensation through cost of living adjustments, seniority pay increases, or promotions and thereby build up their pension entitlements as a hedge against inflation. They will not be able to understand the justice of an arbitrary age-related limitation on their right to keep building up their future pension entitlements for each year they work. Beyond the matter of charging unfair discrimination, they also will argue that every additional year they work is one less benefit year that draws down the company or agency pension fund.

Apart from legal interpretations or court determinations, fringe benefit questions relative to older workers will continue to be subject to labor-management bargaining. Undoubtedly, as older workers become more numerous in the workforce, their fringe benefit needs along with their other interests will become more important in union bargaining positions. In any event, employers will recognize that more flexibility in fringe benefit arrangements will be essential to meet the needs of the older workers who elect to stay on the job longer.

Lack of Experience-Related Data on Older Worker Accident Rates

In the past, in the case of workmen's compensation, too few workers stayed after age 65 to permit the development of good experience-related data on the rate and types of accidents older workers tend to experience. In the absence of such data, authorities have used home rather than work place accident figures, and these often include the figures on the accidents that happen to the very old and frail population. Thus, the insurance costs to cover older workers are quite high. However, as more older workers stay on the job a new basis of accident experience will develop, and this data should bring workman's compensation insurance rates for older workers down to reasonable levels.

Chapter VI

An Untapped Resource Of Potential Paid, Self-Employed, And Volunteer Workers

We have noted that—

—the number of older persons who will pass up early retirement or stay at work after age 65 will increase; and

—their longer involvement in the workforce will strengthen the nation, provided that public and private administrators adopt positive attitudes and personnel policies that will make advantageous use of skills and experience of such retained workers.

Millions of older people, however, already have retired—either voluntarily or involuntarily. They are a large untapped resource of paid, self-employed, and volunteer workers. Many of these people are willing to respond to society's needs. They want to have new careers. The Harris Survey of 1974, referred to earlier, found as follows:

1. *Older People Want To Work*
   Of people over 65 and not working in any capacity:
   —2.2 million feel they have specific skills that no one will give them a chance to use;
   —3 million are interested in learning new skills;
   —4 million would like to work and be paid for it.
2. *Older People Want to Volunteer*
   —4.5 million people over 65 are now serving as volunteers;
   —Another 2.1 million would like to do volunteer work but have not done so.

We should stop squandering this resource. If we do, the older people who become involved in new careers as paid, self-employed, or volunteer workers will add to the financial, productive, and social strength of the nation.

Opportunities for Full-Time Employment

The opportunities for further careers for older people that involve full-time employment may be somewhat limited today and for some years to come by the job needs of youth and the 25-54 age group. We must not overlook the fact, however, that there are full-time positions, such as in training and in the work of community service organizations, that require the kind of unique contributions that older people can make. It takes a creative approach by employers and counseling and placement organizations to identify these needs and then bring them to the attention of qualified older people. Whenever it happens, hope replaces despair in their lives, and through their new opportunities for service, the needs of people of all ages can be more adequately met.

Part-Time Employment For Pay Has Risen For All Categories of Older Workers

Many employers have the types of needs that call for part-time workers. More older workers are finding new careers through part-time work.

In 1967, 3.49 million persons 55 years and above worked at part-time jobs. In 1977, this figure had risen to 4.25 million. While it could be argued that more people are taking part-time jobs because they cannot get full-time jobs, it should be noted in the table below that it is the age 65 and over groups that show the greatest increase in part-time work experience during this period.

Percentage of Part-Time Workers Among All Older Age Groups Who Had Work Experience During Years Indicated

By age groups	*1967*	*1977*
55-59	12.4%	13.7%
60-64	16.0%	20.1%
65-69	34.8%	47.4%
70 and above	56.2%	62.3%

Developed on basis of data from U.S. Bureau of Labor Statistics (Work Experience Surveys)

Upward Trend in Part-Time Employment of Older People Should Continue

This upward trend in the part-time employment of older people makes good sense and undoubtedly will continue. Many employers—both public

and private – are discovering that such arrangements are beneficial from their point of view. In the Federal Government, for example, the Congress just recently enacted legislation designed to encourage the use of part-time employees in all departments and agencies.

Older people are as likely to respond to opportunities for part-time employment as any other age group in our society. Some have income but see part-time employment as a way of obtaining additional income to help them meet rising costs. It also helps to promote their physical and mental well-being by providing them with the opportunity for continued involvement in productive activities.

It is clear that one way of tapping the unused resource of older people is to continue to open up opportunities for part-time employment. Then we need to build bridges between these opportunities and the 4 million people over 65 who would like to begin new careers by working and being paid for it. As Louis Harris puts it, once the bridges are built retirees "will fly across, not just walk."

Self-Employment Opportunities For Older People

Collectively, older Americans today possess a range of skills and talents never before found in an older population. Moreover, through hobbies or other interests, more older Americans than ever before have developed skills beyond those used at their current or former workplaces. Then, too, enrollments of middle age and older people in educational or other training institutions are at record-breaking levels.

The reasons why these people are learning new skills vary. Some have in mind preparation for new or higher paying jobs. Others are pursuing developing interests without specific job objectives in mind. Some of the older people simply may be using their free time to satisfy old interests for which they never had time before, or they are considering new areas. In sum, however, a skill reservoir is developing year by year from these efforts that is a considerable national and personal asset.

On the demand side, Americans are steadily expanding their demands for products and services. In response, the last decade has seen a remarkable increase in the number of individuals who are earning money through the sales of their art and craft works. Others, working out of homes and offices, are doing everything from accounting to report writing, for a fee.

While many older people do not have enough capital to start small businesses, they can work on a self-employed basis with relatively small investments in tools, equipment, materials, space, and staff help. Self-employment has the further advantage of preserving flexibility in time commitments, and long-term obligations, such as for loans and leases, can be minimized or avoided. Self-employment is not only a means for older people to keep active and motivated, but it can provide additional income for

their current support as well as savings for the time when they do not wish to work or are unable to do so.

Ways To Encourage The Self-Employed

Naturally, supply/demand and competition factors are important in the areas chosen for self-employment. Local chambers of commerce, trade associations, training institutions, and other local groups cooperatively could help to identify business and public service needs in their communities that are not effectively met and could be provided by self-employed persons. Through counseling and training, older people and others desiring self-employment could be helped to learn how to perform the types of work needed. At the same time, people interested in self-employment could be counseled by the above-mentioned organizations on how to comply with the self-employment provisions of the Social Security law and with local and other requirements for doing business on a self-employed basis. They also could be taught how to take advantage of tax sheltered retirement income accounts in order to maximize their resources for the time when they are no longer in an earning status.

Older People Want To Serve As Volunteers

Organizations—public or private—that depend on volunteers should regard older people as one of their best sources of help.

Some older people can live on the income that is available to them from Social Security, public and private pensions, investments, and other sources. They do not feel the need for full-time or part-time paid employment.

However, such persons often do feel the need for the psychic compensation that comes from a regular, meaningful involvement as volunteers in an activity they believe is making a contribution to the economic, social, or political life of the day. That is why, according to the Harris Survey, 4.5 million or more people over age 65 are now working as volunteers.

Volunteers are needed in many areas of life. The challenge is to match up the need with the 2 million more older people who have expressed a desire to start new careers by serving as volunteers.

Why Do We Continue To Squander The Resource Represented By Older People?

The Harris Survey and staff interviews for this Committee suggest that the following factors are obstacles to many older people pursuing further careers as paid, self-employed, or volunteer workers:

1. Age bias has caused many employers—public and private—to shun older people for full-time or part-time work or for services as volunteers;

2. Older people themselves have widely held perceptions about age discrimination on the job, at the hiring office, or in volunteer organiza-

tions, and they are reluctant to risk exposure to such treatment;

3. Some have not sold themselves on the possibility that they, indeed, may still have many healthy and productive years ahead; consequently, they do not believe a further career to be a realistic possibility;

4. Some are uninformed or unaware of the personal satisfactions that can come from staying or becoming actively involved in productive enterprises or community service. Others have strong motivations, but lack capital, for example, to start a business activity. Or, they do not know what to do to pursue effectively a long held interest in a particular type of activity;

5. Many are not well oriented to job-seeking or volunteering, possibly for reasons of pride, career choice confusion, or inadequate transportation;

6. Some are ill-informed about paid, self-employed, or volunteer work opportunities or feel they are unqualified to compete for, or hold jobs for which vacancies exist; and

7. Many worry about the possible adverse impact of working again on their pension and Social Security benefits.

What Needs To Be Done To Tap More Effectively The Resource Of Older People?

1. *Counseling, Training, and Placement Services Must Be Provided*

It is one thing for millions of older workers to have the desire for careers as paid, self-employed, or volunteer workers. It is something else for them to know what has to be done if that desire is to be realized. Some need assistance. Very little effort has been made to provide that assistance.

Our society makes substantial investments in counseling, training, and placement services for first careers. It must be prepared to make significant investments in similar services for older people who desire to contribute to the economic and social life of the nation through new careers.

Older people need ready access to community centers where they can get information on job possibilities as paid or volunteer workers and on the ways to qualify themselves for such jobs. Some will want to understand how particular jobs will relate to further careers. In most cases, they also will want help in getting placed.

The responsibility for making such services available is one that must be shared by both public and private employers, educational institutions, and public and private employment agencies. The all too prevalent attitude of ignoring or assigning a very low priority to the needs of older people for such services must be reversed.

2. *Employers Need To Re-Examine Personnel Policies and Practices Relating to Further Careers for Older People*

In Chapter V particular personnel policies and practices of public and private employers were identified that need to be introduced or changed in the interest of the best possible utilization of older people who continue to be a part of the workforce.

Some of these same and other personnel policies and practices will play a significant role in determining whether or not older people who are not working but who want to work and be paid for it actually can rejoin the workforce. Public and private administrators who decide, in the interest of strengthening their own organizations, that they want to tap the current resource of non-working older people should subject the following matters to special review:

a. Flexibility in hours of work, part-time vs. full-time opportunities, job structures, and skill and performance requirements;

b. Pay and bonuses, physical working arrangements and atmosphere, job locations and access to them, and security conditions.

c. Counseling regarding job requirements and career paths, and opportunities for training, development, and promotion;

d. Fringe benefits, particularly in the areas of disability insurance (very critical for part-time workers and especially women and others not yet qualified for Social Security disability benefits), group insurance coverage for non-reimbursable health care needs, and long-term help for catastrophic illnesses; and

e. Linkages with employment services and community educational institutions so as to –

   1) enable employer needs for older workers to be well understood;

   2) facilitate arrangements for orientation visits, career and job counseling and placement, trial internships, and training; and

   3) shape training resources and activities to meet academic or skill requirements for broader job opportunities.

3. *Community Trade, Education, and Other Organizations Can Encourage Persons Interested in Self-Employment*

Self-employed persons can do much to fill in gaps in the economy of communities and add to the range of services, artistic resources, and products available to the people.

Local chambers of commerce and public and private community organizations can help older persons interested in self-employment by surveying unmet service, product, or other requirements of businesses, private service

organizations, government agencies, cultural organizations and the public. With resources provided by trade and industry associations, and with help from educational institutions and other organizations, counseling and training can be furnished to older people to help those interested to qualify themselves to function on a self-employed basis to meet the needs identified by the community surveys.

4. *Organizations That Recruit Volunteers Need To Re-Examine Their Policies and Practices*

Many types of educational and community service organizations are especially vulnerable to inflation and budget cut-backs at the same time that demands for their services are growing. Through careful selection and prudent management of volunteer resources, they can expand both the reach and effectiveness of their services. However, such organizations need to take a close look at their policies and practices to determine why they are not reaching some of the two million older people who are not working but are interested in performing as volunteers. They will want to review their policies affecting:

a) Opportunities for growth and development by volunteers on the job and through participation in training programs;

b) Full integration of volunteer help into their regular operations;

c) Provision of adequate full-time staff for support of volunteer activities;

d) Recognition, on a systematic and well publicized basis, of the dollar value represented by services rendered by volunteers;

e) Provision for payment of "out of pocket" expenses for volunteers;

f) Physical working arrangements and atmosphere, transportation accessibility, and security conditions;

g) Liability insurance coverage; and

h) Linkages with placement services, educational institutions, and other organizations to assure that needs for volunteer services of older people and job requirements are well understood and met.

4. *Major Attention Needs To Be Given To The Transportation Problems of Older People*

Lack of adequate transportation to facilitate searches for work or to commute to jobs once they are found is a problem for people of all ages, but a special problem for some older people. *

* *Transportation and Employment for Older Americans*: A special report prepared for the National Committee on Careers for Older Americans, by Dr. Joseph Revis, November, 1978.

Use of autos by all Americans, while still heavy and still growing, is becoming steadily more expensive. Some older people cannot afford auto use, and they give up using this mode for physical reasons more quickly than do other age groups. While older people tend to be the highest users of mass transit, available service often does not correspond to where jobs are.

Older job seekers who live in the center of metropolitan areas find that increasingly job opportunities are in outlying areas. With the continuing expansion of metropolitan areas, older people who live in suburbs find that they must travel long distances with many interruptions, transfers, and delays if they are going to try to find or hold paid, self-employed, or volunteer jobs, or participate in cultural or recreational activities.

Bus and other public transit services in most communities not only have been unable to keep up with dispersed living and working patterns, but actually, under the pressure of rising operating costs, they are being curtailed while fares are rising. Therefore, longer distances to and from bus stops and transit stations must be negotiated. Many areas do not have service. Even where service exists it is often unreliable or slow. For these reasons, many older people are literally marooned, or they cannot find day-to-day dependable service.

The transportation needs of older people are but one aspect of the mismatch between transportation requirements and resources in most of our urban concentrations. While this Committee necessarily has limited its concern to the transportation needs of older people, quite clearly many of those needs can only be met by general improvements in urban transportation. In the meantime, however, specific attention needs to be given to devising practical arrangements for assuring improved accessibility of older people and others whose job prospects are severely limited by inadequate transportation.

5. *There needs to be a Better Understanding Of The Social Security Retirement Test*

Many older people regard the Social Security Retirement Test as a disincentive to their return to paid employment. The reasons for the test, the arguments for and against it, and the continuing trend toward its liberalization are not widely understood. If they were, the test might be viewed differently by those who are contemplating a return to work. That is why they are summarized briefly in this report.

Definition of Social Security Retirement Test

The Social Security Retirement Test determines the amount of money that may be earned by Social Security retirees without losing all or a portion of their retirement benefits. Specifically, for every two dollars a re-

tiree earns over an amount determined by law (currently $4500) *, he or she forfeits one dollar in retirement benefits. So-called "unearned" income from stocks, bonds, savings, private pensions, and annuities is not counted in determining the amount of Social Security benefits that must be forfeited.

Why The Retirement Test Was Made A Part Of The Social Security System

The Retirement Test is related to the concept that Social Security benefits are intended to help indemnify a person for his or her loss of normal working income on account of retirement, disability, or the death of a wage earner on whom he or she depended. According to this concept, retired workers who manage to resume gainful employment, then, by definition, no longer meet the test of income loss and should forfeit all or part of their benefits.

From the earliest days of planning for the Social Security system, however, it was recognized that it would be unreasonable to expect physically able retired people to become totally inactive. Moreover, it was felt that since many retirees would not get enough Social Security benefits to live on, they should be encouraged to earn some money rather than have to go on welfare. Accordingly, Congress determined that relatively small amounts of earned income could be exempt from the Retirement Test.

In 1950, Congress also decided that all Social Security retirees would, on reaching age 75, be totally free of the Retirement Test forfeiture requirement. This exemption threshhold was dropped to the 72nd birthday in 1954 and will drop to the 70th birthday in 1982.

Arguments Against Test

Some government officials and retirees regard the Retirement Test as undesirable. On the government side, the test has led to many interpretations and a substantial investigation and compliance workload. It also requires a continuous flow of income reporting, constant changes in the amounts of benefit checks for millions of people, and numerous questions and challenges by people as to the correctness of the checks they receive.

Some retired people regard the test as illogical and counterproductive. They tend to see it as a barrier to their further employment, and they cannot understand why any requirement of government should be placed in the way of their keeping active and earning more of their own support in an inflation-ridden economy. They do not see why people should be able to supplement Social Security with welfare payments and dividends but not with money they can earn from working. They add that the original concept of Social Security as the "floor" that would undergird a retirement income structure made up of dividend, pension, and other types of unearned income

* The exempt amount of earned income for people over 65 years is scheduled by law to increase to $5,000 in 1980, $5,500 in 1981 and $6,000 in 1982. The exempt amount of earned income for retired people *under* age 65 in 1979 is $3,480. That figure will rise to $4,200 by 1982. Thereafter, the exempt amount in both cases will be adjusted in accord with average wage levels in the economy.

has not worked for many people. Less than 10% of all retired persons and only 29% of all people age 65 and over have pension income, and, for many, these benefits are quite small. Comparably, Social Security constitutes one half of all the retirement income of 70% of the Social Security beneficiaries, and very few get any substantial unearned income.

Arguments for the Test

Those who support the test emphasize that Social Security is an insurance—not an annuity—program. They point out that the participant is insured against loss of income when retirement takes place. If, in fact, a person's earnings indicate that retirement has not taken place, then Social Security benefits should be either postponed or reduced. Just as a person who is insured against loss of earnings because of a disability does not expect to draw disability benefits until he or she is disabled, so a person who is insured against loss of income should not expect to draw benefits until retirement takes place, it is argued.

Another major argument made in favor of retention of the Retirement Test is that its abolition would produce a large and unplanned for drain of the resources of the hard-pressed Social Security Trust Fund—a drain estimated by the Social Security Administration at approximately 2.7 billion dollars if all persons 65 years and over who are drawing retirement benefits were exempted in 1979. The 1979 cost would rise to between $6 and $7 billion if the test were abandoned for all persons who receive Social Security benefits. If these Trust Fund resources are to be used, it is argued, they can be used more effectively to reduce inequities, for example, in the treatment of women or they can be conserved to meet the benefit requirements of the large numbers of workers who will be applying for retirement in the next decade.

Should the Retirement Test Discourage Employment?

Other arguments are made on both sides. In terms, however, of the Retirement Test being perceived by retired people as a barrier to their further employment, the question often is asked why a Social Security retiree who wants to work again would not prefer to earn as much money as possible rather than worry about earning too much and having to forfeit Social Security retirement benefits.

One answer that is advanced to this question is that Social Security income is exempt from the income tax. This obviously will be considered by some older people as a deterrent to employment unless earnings from possible employment are high enough to eliminate it as a factor.

Chapter VII

Moving Forward: Action Programs And Ideas For Utilizing Services Of Older People

We have noted that –

– millions of older people have a desire to become involved in new careers and to remain active.

– we can stop squandering this human resource by opening up opportunities for older people for paid or self-employed work on a full-time or part-time basis, or for work as volunteers.

– policies can be inaugurated by public and private administrators and by leaders of organizations that recruit volunteers to facilitate the opening up of new career opportunities for older people.

It is the purpose of this chapter (1) to identify, for illustrative purposes, some of the organizations that have had encouraging results in endeavoring to tap the nation's reservoir of older people, (2) to identify, for illustrative purposes, some of the programs, particularly in the community service areas, where older people clearly have the capacity to render unique services and (3) to discuss the building of bridges between older people and those who need their services.

Involvement of Organizations

In recent years national organizations in both the private and public sectors have taken the initiative in launching projects designed to demonstrate that older people have both the desire and the capacity to become involved in new or further careers of productive value in the economic and social life of the nation.

In the private sector, for example, programs have been sponsored by

national organizations such as the American Association of Retired Persons/ National Retired Teachers Association; National Association of Retired Federal Employees; National Association for the Spanish Speaking Elderly; National Center on the Black Aged, Inc.; National Council on the Aging, Inc.; National Council of Senior Citizens; National Farmers Union; and the National Indian Council on Aging.

The programs sponsored by these organizations—with assistance from the Department of Labor operating under the Older Americans Act—have used the skills and experiences of older people as paid workers or as volunteers in areas such as conservation, protection of the environment, and a wide variety of community services.

Over a period of the last five years the Edna McConnell Clark Foundation invested $10 million in projects designed to show how the services of older persons could be utilized under a great variety of conditions. The results clearly demonstrate that older persons are a significant untapped resource. A listing of these projects is attached as an Appendix to this report.

For many years, the International Executive Service Corps, assisted by the U. S. Agency for International Development and private groups, has supplied retired or soon-to-be retired business executives to help solve financial, procurement, or management problems in developing countries. Retired business executives, through the National Executive Service Corps, also are volunteering to help strengthen the operations and financial management of domestic non-profit institutions.

Through ACTION, a federal agency, funds have been made available to support paid and volunteer programs such as the Retired Senior Volunteer Program, Foster Grandparents, and Senior Companions—programs that help both young and old in school, home, and community services. The Small Business Administration funds the Senior Corps of Retired Executives (SCORE) through which the talents of retired executives are made available to assist small businesses deal with their operating problems. The U. S. Forest Service funds a program that employs older people to assist in conservation projects.

The U. S. Administration on Aging, working through its network of State and Area Agencies on Aging, has financed projects designed to help place older people as paid workers and volunteers. The projects financed in this manner have demonstrated the capacity of such people to serve as paid and volunteer workers in many areas of activity but with special emphasis on the delivery of community services.

In 1978, the Committee for Economic Development identified specific techniques used successfully in private business for meeting the employment needs of the hard-to-employ, including older people, and made recommendations on ideas that had promise for further applications.* Also, last year,

*_Jobs for the Hard-to-Employ_: New Directions for a Public-Private Partnership. Committee for Economic Development, New York, January, 1978.

the Conference Board drew attention to retirement practices of businesses and the retirement activities of middle to top managers formerly employed by large companies.*

Other initiatives to test or promote ideas for adding to the work options available to older people have been developed at the local level. In the rest of this chapter the Committee discusses some of these programs and identifies areas of unmet needs in our communities – needs that could be met effectively by drawing on the skills and experience of able older persons who want to improve conditions in their communities and to help other people.

Programs Where Older People Have Rendered or Could Render Unique Services

Meeting Community Needs

Americans are witnessing what could prove to be a dramatic coming together of opportunity and need. Our society needs all the talents, experience, and wisdom it can muster in order to cope with a proliferating array of problems and new demands confronted by all sectors of community life.

Rising Costs of Neglected Needs

In the Introduction, reference was made to the large and steadily growing costs to society of inadequate efforts to deal effectively with such individual and community problems as crime, delinquency, alcholism and drug abuse, discrimination, unemployment and underemployment, poor housing, inadequate transportation, alienation, and isolation.

Unfortunately, our public budget and bookkeeping systems rarely are able to relate specific dollar investments in staff and services that have to be included in current budgets to the tangible and intangible longer term savings that accrue from the prevention, resolution, or mitigation of these and other community or individual problems. Consequently, we often lag in taking necessary actions, or we devise inadequate responses.

Our failure to deal adequately with these problems has lowered the quality of life, blighted the prospects of many young people and turned old age in some communities into a nightmare of economic insecurity, fear, and isolation. It also has led to losses in productivity and low quality work in the economy, both of which have added to business costs and charges to consumers. Inadequate remedial efforts have led to tolerated neglects which have culminated in greater dependency for growing numbers of people and, consequently, to larger welfare rolls and higher tax burdens.

Strengthening Community Services

We could deal more effectively with these neglected needs if we would focus more of our time, energy, and resources on the strengthening of com-

**Older Workers and Retirement*, The Conference Board, Inc., New York, 1978.

munity services. Admittedly, some of our investments have led to discouraging results. These experiences, however, are no excuse for turning our backs on the unmet needs, and we cannot afford to neglect the mounting human and financial costs they produce. Rather, they should challenge us to devise better ways and means for strengthening the delivery of services that could be effective in meeting the needs.

The Role of Older People

Older people can play a very constructive role in the strengthening of community services. Many of these people understand the part that these services can play in the life of the community and have a keen awareness of the losses incurred when the services are neglected or are poorly managed. Once such people have the benefit of training and orientation programs, they can become involved as paid workers or volunteers. It is clear that to the extent they volunteer their services they will contribute to the lowering of costs. However, whether they serve as paid or volunteer workers, their backgrounds of training and experience and their commitments to substituting action for rhetoric will help to insure a maximum return from each dollar invested in these services. Their participation, in large numbers, in helping to deal with unmet needs in community services will contribute to creating public confidence in the way in which the programs are being administered.

Use of "Work Results" Agreements or Contracts

As a further means of creating public confidence in the effective application of resources, more use could be made of "work results" agreements or contracts in employing older people to help in providing certain types of community services. Such agreements or contracts, variations of which have been used effectively in cities such as St. Louis; Albany, New York; San Francisco; Philadelphia; Kansas City, Missouri; Richmond, Virginia; and Columbus and Cincinnati in Ohio, specify for the provider of a service the exact unmet community need to be addressed, the quantity and quality of service to be supplied, the numbers and skills of the older workers to be used, the other resources to be involved, the results expected, the time periods for action, and the funding to be supplied. It has been demonstrated that such agreements or contracts provide the basis for judging, in management and financial terms, just how effectively resources have been used in the light of the results obtained. These judgments, in turn, can provide the basis for obtaining broad public support for successful techniques for using older persons to help reduce costly individual and community problems.

Examples of Needs For Services of Older People In Strengthening Community Services

Dyslexia

This first example is typical of many that could be given in pointing up the role that older persons can play as tutors.

Many school-age children of average to well above average ability suffer from a reading and learning disorder called dyslexia. A constant problem for dyslectic children is the tendency for them to lag behind day by day and then fall steadily behind week by week. Not uncommonly, they become frustrated, then bored, and finally troublesome in the classroom, on the playground, and at home.

In each of these children is the making of a school, home, workplace, and possible community tragedy. They tend to become school disciplinary problems, they pester or distract others, lose normal friendships, and even become outcasts with their own parents and siblings. Quite apart from the personal losses that accrue to the child and that tend to be cumulative, these children frequently grow up to be warped, often thoroughly alienated and hostile adults who are community liabilities rather than assets. This situation takes on added meaning when it is realized that one out of ten persons in our population suffers from dyslexia and similar disorders that impair the way the brain deals with information.*

The most appropriate place to deal with disorders such as dyslexia is in the earliest stages of schooling. Yet, on account of the lack of resources, many dyslectic children are not identified early and are not even dealt with as such until they are already well down the cause and effect road. By then the parents, siblings, classmates, teachers, and dyslectic children themselves are all fairly case-hardened and usually mutually hostile and guilt-ridden, without even knowing the cause of it all.

Remedial action under those belated circumstances is possible but extremely difficult and much more costly then it would be if action were taken earlier. Since resources for remedial programs also are usually inadequate, a long trail of further negative personal and community costs is then pursued in such forms as missed opportunities, underemployment, crime, and alienation from families.

This is an area where older people, after some special training, can provide valuable service as tutors. Tutoring is a critical remedial action because it can help the dyslectic child keep up with subjects taught in class and thereby avoid the non-productive behaviors that arise when he or she becomes frustrated by constant failure and its consequences. Under the most ordinary concepts of cost-effectiveness, an expanded tutoring program using trained older people would pay for itself many times over in dollar terms through the salvaging of useful and able human beings and the avoidance of the negative social alternatives just described.

Functional Illiteracy

Another valuable use of older people as tutors is in the area of functional illiteracy.

* *New York Times*, February 6, 1979

Today, at least twenty-three million Americans are classed as functional illiterates. Large numbers of these people who cannot read or do simple arithmetic are people under 40 years of age. While some in the under age 40 group have managed to avoid schooling, most of them bluffed their way through grade school or were simply given safe passage through on account of neglect or inadequate school resources.

In many cases, functional illiterates are of average or above average intelligence. Even after many years of illiteracy, they can be taught to read and do arithmetic. Without remedial attention, however, these people are condemned to social, psychic, and economic under-realization. Many try to hide their illiteracy through more bluffing and misrepresentation, and when discovered, as they usually are, the result is needless shame, guilt, and often job losses.

Here, too, the most cost-effective approach is to prevent or arrest the illiteracy problem in the first school years. Deployment of adequate tutoring resources at that point can produce a community and personal cost reduction result beyond what could be measured in dollars alone. However, tutoring at later stages also can be highly cost-effective and can save years of suffering and lost value to the individuals involved and to society.

School Volunteers

The Edna McConnell Clark Foundation, with cooperation from other groups, has helped test improved ways of using older people as volunteers to help school teachers and administrators by easing their burdens of teaching, counseling, supervision, and administration. Foundation funds met the critical need to employ coordinators to assist in recruiting and scheduling the thousands of older volunteers who are now providing outstanding service to teachers, administrators, and pupils.

The Foundation also has supported efforts of universities, colleges, and community colleges to enlarge the supply of trained older volunteers for service in the tutoring of hard-to-employ people and in expansion of community literacy programs.

All of these projects have demonstrated that this is an area where older people can make many constructive contributions.

Preparing for the World of Work

The large number of unemployed youth constitutes one of the nation's most serious and perplexing problems. Many of these young people are a part of families where unemployment has been the rule for two or more generations. They not only lack skills, but they also are complete strangers to work discipline and standards of work quality.

Older persons are in a position to render the nation a unique service in dealing with this problem. They not only can help transmit skills, but, as important, many have the ability to introduce young people to the world

of work in such a manner as to motivate them and to help them make what often prove to be very difficult personal adjustments that are essential to holding the jobs they are able to get.

Health Outreach Services

Increasingly, health care experts are identifying an important gap between discharge of people from hospitals and what happens to them thereafter. In a number of communities programs have been developed that use older volunteers to check on the condition of discharged patients and make sure that follow-up services are provided, medications are being taken, and return appointments for check-ups are kept. Older volunteers also are being used to augment hospital resources in outreach programs that deal with poison control, health education, and cancer research.

Mental Health

The movement to deinstitutionalize mental health patients in some cases has thrown unmanageable burdens on existing community outpatient resources. This has meant that many discharged patients are no longer subject to systematic care and observation; others have continuing treatment needs that cannot be served sufficiently or in a timely way.

This situation not only is damaging to the people involved; it dilutes the effectiveness of existing outpatient facilities and resources, strains the operations of other community service programs, and undercuts the value of earlier mental health treatment.

Older people can bring their capacities and skills to the aid of such community service organizations. In paid, self-employed, or volunteer roles they can assist in program management, provide direct services to patients, or help professionals in rendering services.

Community Mediation and Conciliation Services

The processes of conciliation, mediation, and arbitration are being used increasingly to resolve conflicts in all walks of life. Older people, following participation in a short training program, are in many respects ideally suited to participate in these processes. Their years of experience often give them insights on human needs and behavior that can help disputing parties understand better the causes of their problems. The fact that older people are no longer competing for advancement in their own vocations can raise their value as intermediaries and assure that their suggestions are viewed as truly neutral.

Para-Legal Services

Para-legal training programs have been developed for older people. Special emphasis has been placed on preparing the program participants to deal with the problems of older people. Older people have responded to these opportunities in an encouraging manner, and many of those who have com-

pleted such programs have been placed successfully. This is a promising area for further development.

Homemaker-Home Health Aid Services

Policy-makers in both the public and private sectors are trying to develop ways for holding down rising health care costs. In this connection, a rapidly increasing demand has developed in our communities for homemaker-home health aid services. Were such services more broadly available, the substantially more expensive and often more impersonalized forms of institutional care could be postponed or in some cases avoided altogether.

Older people, after participating in short training programs, are ideally suited for rendering this type of service. Also, they can be of special value in helping to provide companionship and understanding to people approaching death.

Home Repair Services

Approximately 75% of couples 65 years of age and older own their homes. Often, they find it very difficult to obtain or pay for the services needed to keep their homes in reasonable repair. Beyond the physical and other dangers to the older residents that can arise from unsafe wiring, poor ventilation and insulation, and rodents, the home decays and loses value to people for whom the home may well be the only valuable asset left. Also, many of these dwellings are not energy efficient, and the owners face rapidly increasing fuel bills that threaten their ability to remain in their own homes.

In some communities home repair service organizations have been established in order to deal with these unmet needs. Many older people have skills that could be productively involved in helping these organizations that are trying, through repair of substandard housing, to conserve home ownership and values for low income families.

Surrogate Parents

Some administrators of welfare programs have discovered that one of the most effective methods for helping unwed mothers to cope with some of their problems is to make provision for surrogate parents. Older people have proved to be very effective when called upon to serve in this capacity.

Service Facilitators

The effectiveness of many types of services to people of all ages often is hampered by the poor communication abilities of the people to be helped. These difficulties arise variously from language or cultural differences, alienation, and isolation. Also, at times, the eligibility rules, program requirements, and forms used by service agencies are baffling to would-be clients and their families. Despite public information programs and outreach efforts by agencies, evidence exists that some people continue to remain unaware

of, or are unable to apply effectively for service they could use. Comparably, service agencies are unaware of people they could help.

In some communities programs have been started to bridge these types of communication gaps. With short and relatively simple training older people can help in these cases by serving as—

—client locators

—eligibility assistance advisors

—translators

—service locators and coordinators

—client advocates

Other Community Service Needs

Committee surveys* show that beyond the job areas noted above and given by way of example, many other types of jobs could be quite readily served by older people in other projects that seek to arrest the deterioration of neighborhoods, add interest and quality to community life through arts and other cultural programs, train and advise young people in job-getting and job performance skills, increase and strengthen transportation services, and make more effective the delivery of government and other services to the people.**

The foregoing references to the activities of certain organizations and the examples that have been given of areas where older people are or could be involved in the strengthening of community services are simply the tip of the iceberg. They do point, however, to one conclusion, namely, that it is indefensible to continue a situation where we fail to match up millions of older people who desire to serve with the critical unmet community needs that could be served by systematically enlisting the help of these people.

**Job Options for Older Americans*, prepared for the National Committee on Careers for Older Americans, by the staff of the National Council on the Aging Inc., October, 1978.

**See Exhibit on Page 48 for many additional types of work options.

Job Options For Older People in Meeting Community Needs

TRANSPORTATION

-station information aides
-bus drivers
-van drivers
-pool arrangers
-improved route sign advisors
-service assistance locators

CULTURAL ACTIVITIES

-performers and artists
-programers
-trainers
-sales and promotion workers
-facilities maintenance workers
-fund raising counselors and assistants
-audience development specialists
-arts conservators and technicians
-resource and information assistants

EMPLOYMENT

-job finders
-trainers
-job developers
-career and job counselors

NON-PROFIT ACTIVITIES

-fund raising/membership counselors
-bookkeepers and accountants
-government regulations and compliance counselors
-coordinators of volunteers
-incorporation advisors

MANAGERIAL ROLES

For all of the activity areas on this chart—
—project managers and sub-unit directors
—legal, financial, and planning advisors

ENVIRONMENT

-counselors on pesticides and safety
-extended sanitation and special clean-up workers
-monitors
-materials recycling aides
-environmental impact analysts

EMPLOYEE RELATIONS

-mediation, arbitration, and conciliation specialists (both employee/management and employee/employee relations)

NEIGHBORHOOD

-guards and monitors
-clean-up aides
-repair workers for substandard housing
-energy conservation advisors and workers
-mediators, conciliators, and arbitrators
-fire and safety inspectors
-pest control workers
-translators and communicators

HEALTH

-hospital technicians and aides
-home health care providers and aides
-rehabilitation technicians and aides
-medical equipment operators

EDUCATION

-discipline aides
-tutors and resource specialists
-class administration aides
-library workers
-career and other counselors
-special population education programmers and advisors
-fund raisers
-special skill enrichment advisors and aides
-financial aid advisors

SPECIAL SERVICES TO DEPENDENT PERSONS

-companions
-nutrition advisors
-form fillers
-eligibility & assistance advisors
-readers & communicators
-recreation advisors and workers
-meal providers and/or feeding helpers
-day care providers
-home health care aides
-rehabilitation technicians & helpers
-representative payees & guardians
-homemakers
-shopping assistance helpers

Opportunities in Small Business

Critical Role of Small Businesses in Employment

Small businesses are an important part of the vitality and social interchange in most communities. There are approximately 10.7 million nonfarm small businesses in the United States. They constitute 98% of the nation's commercial establishments. In the seven years from 1969 to 1976, small businesses created approximately 6 million out of the 9 million new jobs established in that time period. Small businesses are extremely important in the areas of wholesale and retail sales, and in service activities. They make extensive use of part-time or seasonal help. *

Weaknesses of Small Businesses

Despite the importance of small businesses, they frequently suffer from inadequate capital, lack of leadership continuity, and inability to deal effectively with growing regulatory and other demands. All too commonly, small businesses languish or perish because they are too thinly financed to manage rising costs and credit stringencies. Lack of capital also often inhibits their ability to keep up with technological changes or to make necessary and timely shifts in response to new market conditions. Some lack the talent and experience to put together necessary funding, production, or marketing structures. Others cannot afford the staffs to help them deal with tax, regulatory, and other business operating problems.

Older Persons as Facilitators of Small Business Activities

Many older people have skills and experience that could be brought to bear in organizing new small businesses or in strengthening existing ones. Some of these people retain strong creative powers. With proper help, they could become or remain active entrepreneurs. Through small business entrepreneurship, product and service innovations can be fostered, employment can be expanded, and taxable income for individuals and revenues for governments can be increased.

Lack of capital and the means for sound market analysis are often the main obstacles to continued or resumed entrepreneurship by older persons interested in starting small businesses.

Problem of Management Continuity

As noted earlier, small businesses often falter or go under when an older owner/manager fails to develop a successor. This is a particular problem when the owner has no children or no children interested in carrying on the

* Data from Small Business Administration. See also *Future of Small Business in America*. Report No. 95-1810, Committee on Small Business, U.S. House of Representatives, November 9, 1978.

business. One answer to this problem is the linkage of the older owner with a young manager who is interested in obtaining eventual ownership of the business. The key to such a transition is the ability of the younger person to borrow capital that permits both the maintenance of the business' capital requirements and the gradual payout to the owner of an agreed upon amount. Also, if capital were available, the owner could stay on temporarily as an advisor and/or worker in the business and help the younger person learn all the aspects of the operation.

Advisors to Small Businesses

Some older people who are not interested in entrepreneurship or management leadership, nevertheless, have skills that could help sustain small businesses. They could supply advice and practical assistance in such matters as product design, development, and testing, production requirements and flow, market analysis, procurement, merchandising, inventory control, sales promotion, advertising, accounting, cash flow management, financial control, as well as in tax and legal matters.

Since small business owners and operators usually have trouble paying for such help, and often suffer because they do not have it, profit or nonprofit organizations staffed by qualified older people could be fostered to provide the needed advisory services. In most cases, these service organizations would direct their efforts to a market that seldom can afford the normal services of private-for-profit consulting firms.

Building Bridges Between Older People and Those Who Need Their Services

Any identification of opportunities for older people as paid, self-employed, or volunteer workers, points up the lack of effective programs for building bridges between them and the public and private organizations that need their services.

Job Counseling and Placement Organizations

A major financial investment is made each year in a national network of public employment offices—offices that are financed by the Federal Government and operated by the states. These offices, taking the nation as a whole, have not yet helped in any significant manner in counseling older people and in matching them with job opportunities. Many reasons can be assigned for this situation. One thing that will have to happen if it is to change, however, is for private and public employers to make it clear to the administrators of these offices that they are interested in and committed to using this untapped resource. Then and only then will the administrators and their associates be stimulated to try to locate qualified older people. And it is only as such activity gets underway that more of these people will be interested in seeking the services of such offices.

Private employment offices likewise have given very little attention to the placing of older people in jobs. This lack of interest, undoubtedly, is a reflection of a belief on the part of those who operate these offices that the employers they serve have very little interest in such people as a resource.

Some efforts have been made to operate employment offices that are concerned solely with the finding of paid or volunteer job opportunities for older people and with placing them in these jobs. These efforts have tended to be experimental in nature and are subsidized in some cases by public or private contributions or combinations of both. Although some of these programs are rendering a real service, it is doubtful that they can obtain the necessary financial support to operate indefinitely. There is a strong feeling that financial soundness can be achieved only when job counseling and placement efforts for older people are a part of a program for all age groups or when these services are combined with other types of services for older people.

Older people themselves can play larger roles in the career counseling and job-finding and placement activity. In its 1978 statement on "Jobs for the Hard-to-Employ" the Committee for Economic Development urged a larger role for specialized private job-finding agencies. * The CED noted that

* *Ibid*., Pp. 72-73.

such organizations could make good use of skilled older people who would scout for unfilled jobs and for people of all ages in need of jobs. These private agencies would provide individualized counseling to job seekers before and after training and placement. They would emphasize job identification and placements in smaller firms that normally do not use the regular private or public employment agencies.

Skill Banks

In a number of communities, organizations have been developed to create and maintain skill data banks that inventory and supply information on the capacities and experience of older people willing to offer their services in various technical, administrative, or service roles. These organizations supply the data to possible employers and to organizations that use the services of volunteers.

Hiring Brokers

Some service agencies in communities have been inhibited in employing older people and others as volunteers or part-time paid workers because they fear relatively high administrative expenses in recruiting, payrolling, processing personnel changes, arranging Social Security earnings reports, and changing the rolls frequently for purposes of group insurance coverage.

To offset these problems, non-profit or for-profit units have been developed in some communities to act as hiring and administrative brokers between public and private service agencies and volunteer or paid part-time workers. These intermediary organizations function as the first line employers for Social Security and group insurance purposes. They contract with the service agencies to supply them with the help they need, on a demand basis. In this way the service agencies are spared the complication and expense of personnel administration for changing groups of volunteers or paid part-time workers, and greater flexibility is afforded in reacting to changing supply/demand situations for certain kinds of workers.

Lack of Clear National Objective In Enlarging Work Options for Older People

There is no question but that the nation needs placement and career counseling services that have developed skills and contacts in locating jobs for older people to be filled on a paid or volunteer basis and then in locating such people to fill the jobs. Currently, however, at both the national and community levels we lack a clear sense of purpose in the counseling and placement of older people. Consequently, existing efforts often are limited in their scope, poorly supported, isolated from counseling and placement activities for other age groups, or inadequately related to educational and other institutions that could help prepare people of all ages for further careers.

Chapter VIII

Educational And Other Cultural Institutions: How They Can Help Older People Become Involved In Social And Economic Life Of Nation

Ageism has played an insidious role in many educational and other cultural institutions. Too often, if any attention has been paid to opportunities for serving older people, it has been an afterthought.

There are exceptions to the above generalizations, but not many. Very few institutions have put near the top of their list of priorities objectives relative to older people such as the following:

- to challenge them to participate in educational programs that will keep them in touch with society and will point up opportunities for their involvement in economic, social, and cultural activities;
- to provide counseling services designed to match their skills and abilities with available and evolving opportunities for further careers;
- to help prepare them for such careers; and
- to provide placement services that will help them get started in the career areas for which they have prepared.

The Desire to Work

This report has called attention already to the findings of the Harris Survey that four million persons age 65 and over want to have the opportunity of working for pay and that two million age 65 and over want to work as volunteers. These numbers increase when the 55-64 age group is taken into consideration.

In addition to the older people who, when they retire, know that they want to continue to be involved in the economic and social life of the nation, there are many others who retire without any clear idea of what to do with free time. Once retired, they slip into unwanted idleness and lose any daily sense of challenge or motivation. They gradually come to feel that they have little to contribute to their families or communities. Society begins to agree with them. Then they lose interest in and fail to keep up with developments. At this point their non-involvement in the economic and social life of the nation becomes almost complete.

A Reversible Process

This process is avoidable, and, where started, often reversible. Educational institutions at all levels and other cultural institutions are in a position to intervene and to challenge and help older persons to become or remain actively involved in the life of their communities. They are centers of stimulation and creativity. Once older people become a part of these centers they often quickly rekindle old areas of personal interest and once again find themselves involved in meaningful activities—oftentimes as volunteers, sometimes on a paid or self-employed basis.

The Response of Educational Institutions

Educational institutions at all levels potentially could be of dramatic assistance to older people, many of whom do not wish to be idle. The opportunities that are presented to educational institutions of all kinds to be of service to older persons are becoming steadily more evident. Yet, few educational institutions have accepted the challenge and are actively responding. Those that have responded have recognized the demographic, economic, and social circumstances that are making older persons increasingly active claimants for the services they can provide, and they have tried to adjust institutional resources and requirements as much as possible to meet the needs of such people. Leadership in this connection has come from the American Association of Community and Junior Colleges. With help from the Edna McConnell Clark Foundation, the Association has developed a special Older Americans Program that seeks to encourage member colleges to take community leadership in helping older people, both before and after retirement, to prepare themselves for further careers.

Some educational institutions have not as yet seen the older person as an educational challenge or opportunity. They have made little or no effort to be of help. Others are realizing that increased adult enrollments may be a partial answer to their fears about gradually declining enrollments of young people. Accordingly, they have opened their doors to older persons who can meet all normal requirements.

Of itself, this step is useful in that it at least removes a pointless obstacle to access to education for older people. However, such limited action

constitutes discrimination against older people, because it fails to recognize that older persons, as well as young students, often need more than a chair in a classroom. Many have need for career and other types of counseling or require help in identifying and closing gaps in their preparation for further careers. Beyond these needs, some have financial, transportation, and housing problems or require motivational or other psychological counseling.

A Plan For Action

What is needed is a rapidly increasing number of educational and other cultural institutions that are prepared to take the following steps:

1. Adopt specific objectives for helping older people to prepare for further involvement in economic, social, and cultural activities;
2. Assign a high priority for the use of institutional time, energy, and resources for the achievement of the agreed-upon objectives;
3. Develop a recruiting and counseling program for older people designed to be just as intense and as personalized as the recruiting and counseling program for younger people.

If such steps are taken, continuing education for older people will cease being a stepchild as it often is today, and will become an integral part of American education.

If such steps are taken, one of the nation's greatest resources, our educational system, will be dedicated to helping the nation stop wasting an unused human resource—our older people.

Recommendations

The foregoing chapters present many reasons why our society must stop its profligate waste of the skills, accumulated experience, and capacities of its older population.

Remedial action will be difficult and time-consuming. However, the nation cannot afford simply to drift into the 1980's. Changes for the short-term need to be made now. Other changes must be considered and acted on in the near future.

The need at this time is for greater public awareness of the fact that the physical and mental capacities and motivations of older persons cannot and should not be judged *en masse*. To do so is both in direct conflict with the concept of the dignity and worth of the individual and contrary to elemental facts about individual human capacities. The Committee's recommendations start from these points and take into account the importance they should have in current and future decision-making in both the private and public sectors.

The recommendations are divided into six parts, namely:

(1) recommendations for action by both the public and private sectors,

(2) recommendations addressed to business organizations and to organized labor;

(3) recommendations relative to self-employment and participation in small businesses,

(4) recommendations addressed to organizations that utilize services of volunteers,

(5) recommendations for policy changes and action programs by governments,

(6) recommendations addressed to educational and other cultural institutions, and

(7) recommendations for further investigation of certain subjects.

Part I

Recommendations For Action By Both The Public And Private Sectors

Recommendation No. 1

a. That organizations in both the public and private sectors take actions to achieve the following objectives:

(1) Encourage older persons voluntarily to continue productive involvement – on a paid, self-employed, or volunteer basis – in the economic and social life of the nation; and

(2) Abandon existing private and public personnel policies and practices that sideline older persons on the assumption that most of them are physically or emotionally incapable of sustained productive and creative activity.

b. That the opening up of broader opportunities for the productive involvement of older persons proceed simultaneously in three areas:

(1) paid employment,

(2) self-employment, and

(3) volunteer services.

c. That job creation programs be encouraged that draw on the skills and experience of older persons from all walks of life and economic levels for work in paid, self-employed, or volunteer capacities.

Recommendation No. 2

That governments, businesses, employer organizations, labor unions, foundations, educational, other cultural, and recreational organizations, and the media become involved individually and cooperatively in a nation-wide program to help focus public attention on –

a. the reservoir of skills and experience represented by older persons that can continue to be used in productive ways;

b. the actions that have been taken, in both the public and private sectors, to tap this reservoir; and

c. the human, social, and economic costs that are incurred by continuing to waste this asset.

The overriding issue is involuntary idleness of older persons versus a constructive use of their time, energy, and talents.

On October 27, 1978, the President signed into law the Humphrey-Hawkins bill—a law which established for all adult Americans able, willing and seeking to work, the right to have useful paid employment.* Some older persons, for personal, economic, or other reasons, will pursue this right. Their rights are indistinguishable under law from the rights of any other age group. They must be judged on their merits and not on the basis of their age. If they are, opportunities for their productive involvement will open up, and they, their communities, and the nation generally, will benefit from their contributions.

Some older persons do not need more income, but they need and want the psychic compensation that comes from a regular, meaningful involvement as volunteers in, for example, community service programs. They must be assisted oftentimes in this pursuit—assisted in determining what type of volunteer activity is best suited for them, in preparing for such service, and in locating opportunities for service.

Recommendation No. 3

That when it is necessary to use additional resources in order to create jobs—paid or volunteer—which could be filled by older persons, the positive costs involved should be weighed against the negative costs that will be incurred by society if the duties and responsibilities attached to the jobs are not performed.

For example, there is widespread acceptance of the desirability of home care as opposed to institutional care for many older persons. The nation could use tens of thousands of additional personnel trained to deliver this kind of service. Older persons are ideal for such jobs. The longer the nation postpones bringing the jobs into existence, the longer it postpones the possibility of substituting, in some situations, the lower costs of home care for the higher costs of institutional care and the longer it postpones involving some older persons in a very productive type of activity.

Recommendation No. 4

That employers urge employment service agencies, private and public, to place major emphasis on older persons in connection with both their counseling and placement functions.

*Full Employment and Balanced Growth Act of 1978 (Public Law 95-523, 95th Congress).

Employment services are in operation that are concerned solely with the finding of paid or volunteer jobs for older persons and with placing older persons in the jobs. They are making constructive contributions. The national need, however, requires that another resource be tapped, namely, the employment services, private and public, that have the capability of serving all age groups in the performance of both counseling and placement functions. The problem is that older persons are typically very low on their list of priorities. This situation can and will change if employers make it clear to these employment services that they have embarked on a policy of opening up broader opportunities for the productive involvement of older persons and that they have identified and will continue to identify jobs that draw on the skills and experience of older persons from all walks of life and economic levels.

Recommendation No. 5

- ***a. That transportation agencies at all levels, in cooperation with business and industry and labor unions, provide more adequate service to older people to meet their various needs, with emphasis on their problems of job-hunting and job-commuting;***
- ***b. That employers in large job centers be encouraged to form or expand transportation cooperatives, van, bus, and auto pool arrangements, and feeder linkages, to facilitate the movement of older workers and other employees who work in non-peak hours;***
- ***c. That older persons be given full opportunity to serve in transportation activities as drivers, pool arrangers and coordinators, station security and information workers, and ticket sellers and takers; and that such additional employment of older persons be used to upgrade the levels of service for all; and***
- ***d. That transportation operators and unions facilitate improvement of non-peak hour service by approving the use of more part-time drivers, operators, and service personnel to operate vehicles and facilities during such times.***

Lack of adequate transportation is a general problem for people of all ages, but for older persons the difficulties are often compounded by their low incomes, their tendencies to give up driving because of costs or physical limitations, their desire to move about in non-peak hours when services are least available, and their fears about security and bad weather. The situation is even more difficult for older persons living in rural areas. Attention must be given to improving upon existing programs that deal directly with the transportation needs of the growing population of older persons.

In project inspections and interviews, and in a special staff study done for the Committee, poor transportation accessibility was identified as a key

constraint on the enlargement of work options for older people and on their ability to stay involved in community life.*

Recommendation No. 6

That funds be made available by philanthropic, industrial, and governmental institutions to test ideas for the use of older persons as paid, self-employed, or voluntary workers and to disseminate the results of these tests.

In recent years, various private and governmental programs have helped finance tests of a number of approaches to broader involvement of older persons as paid, self-employed, or volunteer workers. These programs have identified interesting concepts and methodologies some of which have proved to be worthwhile. The results of these tests should be given wide distribution so that private and public decision-makers and administrators will understand the costs, the practicalities, and the opportunities involved in making effective use of the skills and experience of older persons.

Additional resources should be available for continuing to test new ideas for the involvement of older people in the economic and social life of the nation, and for disseminating the results of the tests. Unless this is done, many good ideas will never be translated into action programs that will have a nation-wide impact, and good ideas tested in one area may not be brought to the attention of organizations in other areas.

* *Transportation and Employment for Older Americans*: A special report prepared for the National Committee on Careers for Older Americans, by Dr. Joseph Revis, November, 1978.

Part II

Recommendations For Business Organizations and Organized Labor

This report makes clear that if the nation is going to utilize the resource represented by millions of older persons, major shifts must take place in attitudes and in personnel policies and practices within the private sector.

This Committee does not believe that reports such as this one will help bring about such changes unless they command the attention of organizations whose leaders, if they decide to do so, can provide the leadership that will stimulate change.

It is for this reason that we are recommending that the following organizations provide leadership designed to bring about the implementation of the specific recommendations in this section: The AFL-CIO, the American Management Association, the U.S. Chamber of Commerce, the Committee for Economic Development, The Conference Board, the International Brotherhood of Teamsters, the National Association of Manufacturers, and the United Automobile Workers. Other organizations, such as educational or trade associations at the national, state, and local levels and institutions, such as schools of business administration, are in a position to take similar action. We urge them to do so.

Following are the specific recommendations which we urge these organizations to seek to have implemented:

A. RECOMMENDATIONS DESIGNED TO FOSTER RETENTION OF OLDER EMPLOYEES

Recommendation No. 1

a. That personnel policies and practices be re-examined to determine whether they are consistent with the concept that all workers should be judged on their merits irrespective of age;

b. That inflexible age-related guidelines used by employers to govern

which employees are to be considered for training, development, and promotion opportunities be dropped;

c. *That in order to prevent discrimination on the basis of age, employers should give greater attention to improving and using techniques for determining on an individual basis employee performance and capacities for growth and promotion.*

Recommendation No. 2

That flexibility be introduced or increased in personnel rules to permit able older workers to be retrained for and moved to new positions designed to make it possible for them to perform duties and responsibilities that capitalize on their years of training and experience.

Recommendation No. 3

That flexibility be introduced or increased in work scheduling for older workers, including, where feasible, different hours of work, new divisions of labor, job-sharing, and more part-time work opportunities.

Recommendation No. 4

That help and assistance in counseling, training, and placement be provided to older employees interested in pursuing new careers.

Recommendation No. 5

That pension arrangements be revised so as to facilitate and enlarge gradual retirement options.

Recommendation No. 6

That fringe benefit arrangements be revised to assure that they reflect as much as possible special circumstances of older workers.

The amendments to the Age Discrimination in Employment Act that defer the mandatory retirement age, the trend to greater longevity, the major increase in middle age women who have gone back to work, as well as continuing inflation, are facts that undoubtedly will contribute to growing numbers of older people who will remain on the job. If employers take effective action on the recommendations above, they can turn this situation to advantage in cost/benefit terms and create a positive outcome for both employers and employees.

B. RECOMMENDATIONS FOR ENCOURAGING RETURN OF OLDER PERSONS TO WORKFORCE

Recommendation No. 1

That employers review their operations and methods to identify additional areas and activities where productive use could be made of

the skills and experience of older persons in either full or part-time capacities.

Recommendation No. 2

That employers cooperate with public and private employment agencies and educational institutions to make sure that counseling and placement services are available to older persons who are contemplating returning to the workforce to enable them to:

a. Understand the advantages and satisfactions that can accrue from returning to full-time or part-time employment;
b. Relate their qualifications to requirements for available full-time or part-time positions;
c. Understand the training requirements for particular jobs and where that training may be obtained; and
d. Receive assistance in locating specific job opportunities.

Recommendation No. 3

That employers, with a view to making their companies more attractive to older persons interested in returning to work, revise their policies, practices, and arrangements to:

a. Provide greater flexibility in hours of work, more part-time vs. full-time opportunities, and additional latitude in determining the structure of jobs;
b. Assist in working out arrangements for adequate transportation to work locations;
c. Provide job training opportunities to help older persons who return to the workforce to improve their skills and abilities in order to qualify for further career opportunities;
d. Make available temporary internships or other similar opportunities to allow older persons to test their interests and capacities for particular lines of work; and
e. Assure close linkages with placement and counseling services and community educational institutions so as (1) to enable employer needs for older workers to be well understood; (2) to facilitate arrangements for job counseling, training, and placement; and (3) to help assure that training resources and activities meet practical job requirements and are utilized in such a manner as to help older persons meet academic or skill requirements for broader job opportunities offered by employers.

Some older people in their 60's and 70's who have been involuntarily sidelined for years will not desire or be able to return to sustained productive work. However, as noted earlier, the Louis Harris study of 1974 showed that 4 million people, age 65 and over still have an interest in part-time and full-

time work opportunities, and his most recent survey showed that almost half of the retired people would prefer to work again.

Well thought-through and coordinated efforts are needed to reach and to encourage older people and to inform and assist them in considering employment and career opportunities, to counsel them on skill needs and opportunities for training or retraining, and to help in actual job placements.

Also, we will have to recognize that, as with many younger workers, older people often will need counseling and guidance assistance before and after they enter on the job. The internship technique may be necessary in helping some of these people sample new career areas, work environments, and supervisory and colleague relationships before commiting themselves. Likewise, capable and readily available counseling may help smooth out personal and interpersonal difficulties before they become too aggravated and lead to quick and demoralizing job separations.

C. RECOMMENDATION FOR POLICY STATEMENT BY EMPLOYERS CONCERNING OLDER WORKERS

That to help assure effective implementation of the foregoing recommendations, employers establish in writing and disseminate to all levels of management a clear-cut policy of non-discrimination on the basis of age in the areas of hiring, compensation, promotion, training, and separations.

This recommendation grows out of the position taken throughout this report, namely, that individual employees and job applicants should be judged on their merits as workers and not on the basis of their belonging to any particular age group. Management's position on this important issue should be made known to all supervisors.

Part III

Recommendations For Self-Employment And Participation In Small Businesses

A. SELF-EMPLOYMENT

Recommendation No. 1

That local chambers of commerce, trade associations, community development groups, employment agencies, educational institutions, older person organizations, and other groups cooperate in—

- *surveying product and service needs in their communities that are inadequately met;*
- *facilitating counseling, training, and small loan programs that would help older persons and others to function on a self-employed basis in meeting the needs identified through such surveys; and*
- *operating information exchanges that help businessmen and others in the community locate self-employed persons who are in a position to supply the products or services they need.*

Recommendation No. 2

That community organizations made up of teams of tax, finance, insurance, legal, production, marketing, regulatory, and other specialists (both older persons and others) be established to function either on a volunteer or self-employed basis as advisors to older persons interested in self-employment.

B. SMALL BUSINESS

Recommendation No. 1

That the Small Business Administration take leadership in cooperation with the Departments of Labor, Housing and Urban Develop-

ment, Health, Education and Welfare, Justice, and Treasury and with the National Science Foundation in fostering a program that would make available to older persons financial assistance including tax and other incentives, to enable them to acquire or create small businesses or to strengthen ones they own.

Recommendation No. 2

That the Small Business Administration use its financing and management assistance authorities to:

a. Assist older people to establish and maintain independently owned small businesses, particularly those that can help strengthen the economy of communities and/or can promote a high degree of technological innovation.

b. Enhance the continuity of small businesses through credit arrangements that help young managers work in association with older entrepreneurs and eventually buy out their ownership interest.

Recommendation No. 3

That chambers of commerce and other community groups foster organizations that draw on the skills and experience of highly qualified retired or other older business managers and specialists who would be available to help strengthen small businesses that normally could not afford the services of private-for-profit consulting firms.

Part IV

Recommendations For Organizations That Utilize Services Of Volunteers

Throughout the report emphasis has been placed on the role that older persons can play as volunteers. The Harris Survey reveals that approximately two million people age 65 and over would like to join the ranks of volunteers. Large numbers within the 55-64 age group have a similar desire.

There are many organizations at the community and national levels that can and do utilize the services of volunteers. The interest areas of these organizations include programs for the aging, the arts, education, health services, housing, legal services, religion, child care, youth services and many others falling under the heading of community services.

Recommendation No. 1

That organizations that rely on or are in a position to use the services of older people as volunteers develop personnel policies and practices designed to:

- ***a. Provide for the development and execution of positive programs for the recruitment of older people as volunteers;***
- ***b. Assure older volunteers adequate opportunities for growth and development on the job and through participation in training programs;***
- ***c. Provide, where feasible, opportunities to older volunteers to qualify for and transfer to paid employment***
- ***d. Integrate volunteer workers into regular organizational functions and provide adequate full-time staff for support of volunteer activities;***
- ***e. Recognize in a well publicized way, the dollar value of services provided to the organization by volunteers;***
- ***f. Provide reimbursement of "out of pocket" expenses of volunteers;***

g. Meet the transportation needs of older people who otherwise would be unable to respond to opportunities to serve as volunteers;
h. Assure adequate liability insurance; and
i. Provide close linkages with placement services and educational institutions to assure that openings for older people and job requirements are well understood and serviced.

So often when discussions take place relative to the use of volunteers of any age the comment is made: "We have tried it, and it just doesn't work." Time and again the reason it has not worked is that there has been a failure to give as much attention to the personnel policies and practices that impact on the lives of volunteers as is given to similar policies and practices relating to the lives of persons who work for pay.

There is an unwiliingness to recognize that volunteers are productive members of our society and are, as a minimum, entitled to as much consideration as those who produce for pay.

There also is a lack of recognition that well-selected volunteers can enable an organization to strengthen its services beyond what would be possible within the resources available to it for paid staff. Failure to recognize these possibilities also may be accompanied by an organizational perception that volunteers are a nuisance—a group to be suffered or dealt with at arm's length, rather than integrated into organizational operations and supported adequately by full-time staff.

In the case of older people, this situation is at times aggravated by feelings, expressed or unexpressed, that they really are not wanted, that they are "over the hill" and cannot accomplish as much as younger persons, or that they are undependable. In brief, ageism manifests itself in the volunteer area as well as in the area of paid work.

The climate for volunteers generally, and for older people in particular, can be improved by developing policies and practices such as those suggested above.

Recommendation No. 2

That public and non-profit organizations that utilize the services of volunteers make sure that counseling and placement services are available to older people who are interested in volunteering their services to enable them to:

a. Understand the satisfactions that can accrue from becoming involved in particular types of volunteer services;
b. Relate their qualifications to the requirements for performing certain types of services;
c. Understand the training requirements for rendering certain services and where that training may be obtained; and
d. Receive assistance in locating specific opportunities for service as volunteers.

Persons who are motivated to serve as volunteers should be provided with the same opportunities for identifying and preparing for new careers as persons who are planning for their first careers or planning to re-enter the workforce as paid workers.

It is one thing to be motivated to volunteer one's services; it is another thing to know where and how those services can best be used. Readily available and well-administered community counseling, training, and placement services can do much to facilitate the involvement of older people as volunteers. Sometimes these services are performed by an agency that specializes in this area. But a separate agency does not necessarily have to be established. The service can often be provided by existing counseling and placement services that have been sensitized and trained to deal with the needs for volunteer services and the role older people can play in meeting those needs.

Part V

Recommendations For Policy Changes And Action Programs By Governments

Recommendation No. 1

As a part of a national objective to assure a more effective utilization of older persons, we recommend that the President take the following steps:

a. *That the President direct the Executive Branch of the Federal Government to intensify still further its efforts to bring about an effective implementation of the Age Discrimination in Employment Act;*
b. *That the President instruct the departments and agencies of the Federal Government, functioning in their capacity as employers, to set an example for others employers by launching positive programs for the retention and for the recruitment and placement of older persons in full-time or part-time positions in the federal service; and*
c. *That the President provide leadership that will make public and private bodies that receive federal program funds understand that they are expected to take steps to promote both the retention and the recruitment of older persons on either a full-time or part-time basis in both paid or volunteer capacities to help meet the needs of the programs they administer.*

Recommendation No. 2

That governors, mayors, and other state and local government officials exercise leadership within their respective jurisdictions in such a manner as to encourage private and public sector actions that will assure a more effective utilization of older persons.

The Age Discrimination in Employment Act is a reflection of the prevailing conviction at the grassroots of the nation that individuals should be judged on their merits and not by their age. The overwhelming approval by the Congress of recent amendments that had the effect of further tightening the provisions of the Act is the latest manifestation of this conviction.

Progress has been made in the implementation of the Act. A great deal, however, remains to be done. A recent Presidential reorganization plan concurred in by the Congress, will result in responsibility for enforcement of the act being transferred to the Equal Employment Opportunity Commission on July 1, 1979.

The Age Discrimination in Employment Act by itself, however, cannot reverse 40 years of negative policies and practices. It must be complemented by positive acts on the part of the Federal Government and other governments and private employers, if increasing opportunities for productive work are to be opened up for older people.

One positive step that can and should be taken is for the Federal Government, as the largest employer in the nation, to put its own house in order. Strong Presidential leadership is required. Compulsory retirement on the basis of age has been eliminated in most employment categories in the federal service. This provides the President with the opportunity of requiring that heads of departments and agencies include in their personnel policies provisions for a constructive use of the time and talents of older employees who decide that they want to continue in federal service. Virtually all of the considerations set forth in Chapters V and VI of this report are applicable to the Federal Government as an employer.

In addition, the President, by Executive Order, can require that the heads of departments and agencies launch positive programs designed 1) to identify to older people who desire to re-enter the workforce opportunities for full-time and part-time employment, 2) to identify the steps such persons should take if they are interested in these opportunities, and 3) to insure that they are considered on their merits once they apply.

The Federal Government can go still further in carrying out the national objective. Many programs are being operated at both the state and local levels of government and in the private sectors that are financed in whole or in part by federal funds. Here, too, the President can make it clear that he expects that administrators of such programs will foster increased use of older people for full-time or part-time paid work or as volunteers. This can include making sure that older people are reached by the recruiting programs of these public and private agencies, and that counseling, training, and placement resources are made available just as readily to older people as they are to the members of any other age group. The need now is for tangible manifestations of changes in attitudes toward one of the nation's great human resources.

Success in carrying out the national objective will require supportive leadership at all levels of government. Governors, mayors, and other state and local officials can help stimulate both private and public actions in their jurisdictions.

Recommendation No. 3

That to help assure effective implementation of the foregoing recommendations, government administrators establish in writing and disseminate to all levels of management a clear-cut policy of non-discrimination on the basis of age in the areas of hiring, compensation, promotion, training, and separations.

No substantial progress will be made unless supervisors at all levels know what the policy of top management is and unless they understand their roles in implementing it.

Recommendation No. 4

a. That the U.S. Department of Labor assure greater involvement of older people in the Comprehensive Employment Training Act (CETA) programs for providing job-training for hard-to-employ persons; and

b. That the Department systematically explore under the CETA program opportunities to use older people to help hard-to-employ youth to qualify for and hold jobs.

The 1978 Amendments to this Act include a clear expression of Congressional intent that administrators of the CETA program should facilitate the transition of involuntarily idled persons over 55 years of age from non-participation to participation in the labor force. Such people are to have full access to all of the features of the program including work experience, vocational education, public service employment, on-the-job training, and job placement. Moreover, Congress has authorized technical assistance to employers to establish flexible work hours, job sharing, and other innovative arrangements that could be of help in the employment of older people.

The Committee recommends a vigorous implementation of these provisions. If it takes place, it will be sure to lead to a greater involvement of older people in full-time and part-time employment.

Congress has placed a high priority in the CETA Program on the preparation of hard-to-employ and disadvantaged youth for jobs. Most administrators, however, have failed to see that they could meet the above mentioned priority and still serve the needs of older persons. Older people in some instances are ideally suited to serve as trainers or trainers' assistants as the nation seeks to come to grips with the problem of youth unemployment. Very little, if anything, however, has been done in this direction. This situation can and should be changed promptly.

Recommendation No. 5

That the U.S. Department of Labor, through the United States Employment Service, give major emphasis in public employment offices to providing placement and counseling services for older persons.

The local public employment offices that are operated by the states with federal funds normally have not given much time or thought to counseling older people and matching them with jobs. Their personnel have not developed expertise in this area and are often preoccupied with enforcement functions. Admittedly, if these offices are to become an important resource for counseling and placing older persons, there needs to be an increased demand for assistance both on the part of employers and older persons. On the other hand, affirmative efforts on the part of these offices to counsel older people and identify jobs for them could help to stimulate an identification of such jobs—especially if the employment offices offer to locate, counsel with, and refer qualified older people to fill the jobs.

National leadership for such a development must come from the U.S. Department of Labor. It can and should provide this leadership as a part of its overall responsibility for the operation of the U.S. Employment Service.

Recommendation No. 6

That the national network on aging, which functions under the authority of the Older Americans Act, become one of the major vehicles for efforts to open up new opportunities for constructive involvement of older persons in the life of the nation.

This network consists of the Administration on Aging within the Department of Health, Education, and Welfare, a state agency on aging in every state, and nearly 550 area agencies on aging within the states.

Under appropriate federal and state leadership, the area agencies on aging, working with and through their citizen advisory councils, and with the assistance of thousands of senior centers, have the "grassroots" capability of helping public and private employers, voluntary organizations, and educational and other cultural organizations to build bridges between their human resource needs and the tremendous resource represented by older people who do not want to be put on the shelf.

Some of the area agencies have moved in this direction. It is recognized that they and all the other area agencies have many important items on their agendas and limited resources to deal with them. We believe, however, that if even a comparatively small investment is made by each area agency in this item it will pay significant dividends in terms of bringing strength to the lives of older people who become involved as paid, self-employed, or volunteer workers. At the same time, the contribution of these older people will help

strengthen the programs of the community and other institutions that they will serve through their involvement.

Recommendation No. 7

a. That in the preparations for the 1981 White House Conference on Aging consideration be given to the implications of an aging population for the economy in relation to such issues as employment, the growing requirements and costs of dependency, and the demands on income security programs;

b. That such consideration place major emphasis on the opportunities presented to the nation because of the development and availability of a large, highly skilled and physically and mentally healthy older population; and

c. That in Conference papers and briefings of participants specific attention be given to the need to develop public and private sector actions that will further a national effort to increase the participation of older persons in productive capacities as paid, self-employed, or volunteer workers in both the private and public sectors.

As a result of earlier White House Conferences on the Aging, much was done to identify the special needs of the aged and to lay the groundwork for programs of public and private sector action to meet those needs. Clearly, the participants in the 1981 Conference will review both the adequacy of the response to those needs and make recommendations for further necessary actions to ease the problems of older people.

In the light of our findings and recommendations, this Committee urges that the delegates to the 1981 White House Conference also address themselves to the benefits to America, current and potential, as a result of the evolution of an unprecedentedly able populaton of older people. It is our hope that the delegates will assess what the nation is doing and is not doing to take advantage of the contributions that older people are capable of making to meeting the needs of society.

Part VI

Recommendations For Educational And Other Cultural Institutions

Recommendation No. 1

That educational and other cultural institutions help the nation to stop wasting its resource of older people by making it unmistakably clear that they are ready and willing to help people to meet their creative needs, including assisting them in continuing to work or to re-enter the workforce on a paid, self-employed, or volunteer basis.

The time has come for the nation to stop allocating resources as though education is needed only by younger people. Resources must be devoted to education for all age groups.

Recommendation No. 2

That educational institutions at the secondary and post secondary levels reflect their commitment to the national objective of helping older people to achieve their highest potential by –

- ***making positive efforts to contact and to challenge older people to participate in programs that will keep them in touch with society and will point up opportunities for their involvement in cultural, economic, and social activities.***
- ***providing counseling services designed to match the skills and abilities of older people with opportunities for new careers;***
- ***developing training programs that are directly related to opportunities for new careers as paid, self-employed, or volunteer workers; and***
- ***providing placement services that will help to match up older people with job openings.***

Educational institutions are accustomed to relating their educational programs to the career objectives of younger persons. There is not, in many instances, the same recognition of a desire on the part of older people to participate in educational programs that will help them to enter on new careers either as paid, self-employed, or volunteer workers, or to make other creative uses of their time.

Once that desire is recognized by an educational institution—as it has been by some—it will discover two things, namely, (1) that it will experience increased enrollments in its continuing education and other programs, and (2) that the same satisfactions will be experienced in preparing and placing older people in new careers as are experienced in serving other age groups.

Recommendation No. 3

That those responsible for appropriating funds or making gifts and grants to educational and other cultural institutions recognize the unique role that continuing education must play if the nation is to be served effectively by its growing population of older people.

Many of the programs for older people will pay their own way. However, financial considerations should not be the sole criterion for judging, for example, whether courses are going to be offered that will be of help to older people seeking to pursue new careers. It should be recognized that, just like programs for other age groups, some of the most creative and helpful approaches may not be self-supporting—at least at the outset. Some funds should be available for investing in such courses. These investments could pay dividends in terms of their impact on the lives of older people, and, at times, they could help teachers and institutions develop new insights on teaching and learning methods and results. Moreover, responsiveness of educational institutions to the further education needs of older people could lead to new sources of community support for such institutions.

Older people also should be eligible for participation in student financial assistance programs. It is recognized that in some public jurisdictions special provisions have been made relative to tuition charges for older people. Where such arrangements do not exist, eligibility for assistance should be determined on a case by case basis without regard to the age of the applicants.

Finally, there should be the same eagerness and the same willingness to invest in research and demonstration projects in continuing education that there is in any other phase of education. If there is, there will be new discoveries that will help to achieve the objective of challenging older people to prepare for and enter upon new careers.

Part VII

Recommendations For Further Investigation Of Certain Subjects

The subject of further careers for older Americans focuses attention on a complex interwoven structure of retirement and income security policies created over 40 years. Most of this structure developed in response to earlier assumptions and perceptions about life and work spans and about the nature of retirement. Comparably, existing policies and practices were designed to carry out social and economic objectives that had their roots in different demographic conditions and trends. They also were based upon what are now outmoded concepts about the relationships between chronological age and capacities for continued productivity and creativity.

This Committee was asked to examine the paradox of our society having created a large, able, mostly healthy, and longer living older population at the very time when outmoded policies and practices are still functioning to put them on the shelf while they still have the capacity for making productive contributions to society.

We have called for a reversal of these tragic and wasteful policies and practices. They must be replaced by a new positive strategy that emphasizes the development of conditions that will allow the skills, capacities, and experience of older people to be kept actively employed in the work economy and in roles where they can help meet the needs of others.

In the short period of time our Committee has existed we could only begin the process of identifying the full range of factors that must be addressed in connection with both the reversal of present policies and practices and the strong movement of the nation in the directions we recommend. In this section, we identify or note again certain areas that we feel require further investigation and consideration in connection with moving to carry out the recommended strategy.

Social Security Retirement Test

For example, the Social Security Retirement Test is designed to determine who is retired and to what extent. It also determines the extent of Social Security retirement benefits to be paid to people who continue to earn money through work. On the other hand, it also is designed to restrict the drain on the Social Security Trust Fund. While the test is perceived by many older people as a needless, troublesome, and confusing barrier to their attempts to earn more money after retirement, it is seen by others as a necessary part of a social security system, and its abolition would be extremely costly.

Both the Congress and the Executive Branch should explore how far it will be possible to go in liberalizing the test without sacrificing other important Social Security objectives. To the extent that it is possible to liberalize it further, the perception of older people that the test is a disincentive to their becoming involved in paid employment will be diminished.

Social Security Retirement Deferral Credit

Recently, the Congress raised the maximum retirement deferral incentive from 1 percent to 3 percent a year in order to encourage workers to delay the time when they begin receiving retirement benefits from Social Security. The principle underlying this action is sound, and the recent increase in the percentage may encourage more workers to defer retirement and remain active. If substantial numbers of workers did so, the drawdown of the Trust Fund would be slowed, even though such workers and their survivors ultimately would get larger benefits.

However, the increase in the credit from 1 to 3 percent may not be enough of an incentive to really make a difference with many workers. The one percent provision did not encourage very many workers to stay active. An increase to three percent may well be regarded as inadequate to reflect what has been happening to living costs on account of inflation. Given the desirability of encouraging more workers to stay active and the need to decrease the pressure on the Social Security Trust Fund, consideration should be given to whether raising the Retirement Deferral Credit to a higher level would encourage a sufficient number of workers to defer retirement to have an appreciable effect on the status of the Trust Fund.

The trend in the direction of reducing work disincentives and increasing the incentives to continue working is important to the future of the nation for two important reasons:

1. Every percentage point of change toward greater employment by older people has a double effect on the balance of contributors to Social Security vs. claimants; and
2. Continuation of productive work by older people improves the quality of life for a large and rapidly growing portion of the population and has a positive effect on the gross national product.

The Advisory Council on Social Security

From a time standpoint, the current Advisory Council on Social Security, which is to make its report in the fall of 1979, would be in a good position to develop the facts and make early recommendations on both the further liberalization of the Retirement Test and the Retirement Deferral Credit.

Individual Incentives to Accumulate Retirement Income

The objective of enlarging opportunities for further careers for older people can be furthered by a positive tax policy that would encourage more older people to support themselves as far as possible from their own resources. Special study needs to be given to the income tax provisions that affect older workers' after taxes income. These include the *Earned Income Tax Credit*, the *Tax Credit for the Elderly*, and the *Keogh and Individual Retirement Account* features. These provisions function as incentives and disincentives to older people to continue efforts to earn money. However, they each have other objectives as well. The current provisions, plus the possible use of tax credits to employers who hire older persons, need specific review to determine the part they would or could play in helping or hindering implementation of a national strategy to enlarge the number of work options available to older people.

Undue Pressure on Social Security and Pension Funds

This Committee is not charged with examining the complex subject of retirement income and the problems of Social Security and public and private pension systems. However, since this Committee has recommended that more older persons be encouraged to work longer or resume work, in part to help ease the present and future drain on Social Security and pension funds, it follows in our thinking that other steps should be taken to encourage workers of all ages to strengthen their income security picture for the time when they cannot or decide not to continue working or working full-time.

Some features of our income tax laws seem to be working in ways that are at cross-purposes with a basic concept of the Social Security System. Social Security was to provide a "floor of income" to undergird a structure for additional retirement income made up of pensions, savings, stock and bond dividends, or other income. As noted earlier, this concept has not worked well. Relatively few people have much income beyond Social Security, and for some retirees even their Social Security benefits have not kept them off welfare. Then, too, it is clear that in face of persistent inflation, it is difficult for many people to develop and maintain adequate retirement income.

Individual Retirement and Keogh Accounts

Specifically, the Individual Retirement and Keogh Account provisions of the income tax laws should be reviewed. Their provisions allow small

amounts of earned income to be put in savings accounts that shelter both the amounts deposited and dividends on them from annual taxes until they are drawn out to meet retirement income needs. In addition to severe restrictions on the annual dollar amounts that can be put aside and spared from current taxes, the categories of people eligible to participate in this manner of reducing taxable earnings are tightly limited. Even so, considerable public confusion has developed as to eligibility, fees charged for having an account, and rates of return, and many persons are discouraged from this method of saving to meet their retirement needs. Consequently, for most lower middle income workers, the whole IRA-Keogh system ranges from unimportant to irrelevant as a method of building up meaningful retirement income.

Last year, Congress established the President's Commission on Pension Policy. This body, together with the new National Commission on Social Security, and the regular Advisory Council on Social Security should examine how the income tax and Social Security laws can be shaped to provide greater incentives to individuals to support themselves as much as possible and to create adequate retirement income resources. The following questions might be considered by these groups:

1. Should the Individual Retirement and Keogh concepts be broadened to allow more classes of people to use them, even if they currently belong to pension systems, or even if they are not self-employed?

2. Subject to reasonable restrictions, should tax deferral for larger amounts of retirement savings be allowed each year, and should the dollar amount of the special account for spouses be broadened considerably?

3. Should further tax-saving incentives be provided to encourage older people to work longer and delay the time when they finally start drawing down their tax-deferred savings accounts? (These funds now can be drawn down without dollar penalties for early withdrawal at age 59½.)

4. Should worker contributions to Social Security and pension funds be allowed as a deduction on income taxes?

5. What steps could be taken to assure that retirement income accounts receive the maximum rates of interest earnings for the investment periods involved?

These questions focus attention on the issue of whether a deliberate policy of expanding tax incentives to encourage greater self-accumulation of savings to meet retirement income needs would help in reducing the growing pressure on the Social Security, pension, and welfare systems, and provide us as a nation with a stronger retirement income strategy.

Some will argue that the country cannot at this time afford the loss of the annual income to the Treasury from such additional tax deferrals. On the other hand, others will argue that this concern for income loss to the Treasury fails to acknowledge that probably even larger amounts will have to be borrowed and spent to meet the costs of welfare and other benefits for growing numbers of people who have inadequate retirement income.

Fringe Benefits

The Committee earlier noted the growing anomalies in the fringe benefit area that are developing in connection with decisions by older workers to stay on the job and by retired persons to get back to work. Industry and other groups and the U. S. Department of Labor have been examining the fringe benefit issues that have arisen from the new age-related mandatory retirement legislation that became effective for industry and other sectors in January, 1979. While, for much of the economy, the mandatory retirement age has been moved from 65 to 70, age-related retirement provisions for most federal employees have been removed entirely. Through these changes taken together with new longevity trends, substantially different pension and insurance needs for older people now are coming into the picture.

Hopefully, reasonable changes can be made that will make fringe benefits an incentive to older persons to remain employed or become employed again rather than have them serve as a non-incentive, or even worse, a disincentive. Positive actions consistent with the national strategy we have recommended, if taken in a timely manner, could clear the air and minimize the chance that the whole fringe benefit area will become a counterproductive tangle of action-delaying litigation and time-consuming argument for all of the parties concerned. It is our hope that labor, management, government, and other groups involved in current efforts to review pension and insurance benefit programs will investigate ways to remove or reduce actual or perceived cost disincentives to employers in the areas of pensions and workmen's compensation and in such other matters as group life, health, and casualty insurance coverage.

Appendix

Projects Of The Edna McConnell Clark Foundation

Over a period of years beginning in 1973, the Edna McConnnell Clark Foundation concentrated a portion of its resources on a wide range of tests to determine how best to engage the skills and experience of older people as a major national resource in meeting community and national needs. As the Foundation's Program for the Elderly developed, it created considerable interest in its objectives and methods and gained the cooperation of many agencies and corporations in the public, voluntary and private sectors. The Foundation, with its own resources and the help of other groups:

- Provided adminstrative support to seven school districts to test large scale recruitment of qualified older volunteers to serve as tutors, administrative personnel, and counselors. All districts succeeded in drawing from 500 to 3500 older volunteers from cooperating employers and from the community at large. The quality of service provided by these volunteers was equal or superior to that provided by younger volunteers.
- Enabled the expansion of Literacy Volunteers in a manner which increased use of older tutors in meeting the learning needs of adults whose literacy skills were below functional levels.
- Developed and expanded the capability of the National School Volunteer Program to administer a broad range of national programs, including technical assistance in the formation of new older school volunteer programs in school districts. Over four hundred school districts have sought assistance.
- Assisted the National Council of Homemaker-Home Health Aide Services to develop a test plan and program in eight localities to determine how qualified older leaders could organize new agencies where

they were needed and then to recruit service personnel of all ages. The eight original pilot programs became fourteen. Half the service personnel hired were over fifty, and one quarter were over sixty-five. With federal assistance, the same methodology is being transferred to four states in two federal regions and promoted nationally by the National Council. Hundreds of older people have been employed as a result.

– Assisted the Hospital Research and Educational Trust of the American Hospital Association to plan and implement a test program in seven hospitals where qualified older volunteers were recruited to deal with a variety of community or special health problems. These have included improvements in the discharge process, counseling people who experience losses, basic health education leadership in community groups, public education on poison control problems and resources, and assistance in cancer research. Over two hundred older people have participated.

– Helped the Association of Junior Leagues to develop plans in nine cities where committees of young women and a coordinator would assist a small group of older community leaders to direct their attention to the amelioration of a major community problem. Following a period of study, planning, and training, the older group then recruited as many peers with appropriate skills as were needed to proceed with the plan. Among the problems addressed have been inadequacies in the areas of legal services to the near poor, emergency services, home-health reimbursement programs, community-support for deinstitutionalized mental health patients, and adoption services for older children. Over two hundred older people have participated in efforts to strengthen services in these areas.

– Financed a survey of a major city to determine the needs of the community and local enterprises for which older people could provide substantial remedies as paid or volunteer workers.

– Financed surveys of higher education to determine the current status of services to older people, to profile several model programs, and to determine the nature and extent of teaching and tutoring by older people in all kinds of educational settings.

– Supplemented the services of three community colleges and four private colleges and universities, all of which had substantial enrollments of older students, to develop models for training, counseling, or placing their students who were interested in paid or volunteer work in the community or on campus.

– Enabled one state university to develop and operate a volunteer program on campus which matched 30 qualified retirees to students who needed career or academic counseling.

– Stimulated a national program by the American Association of Community and Junior Colleges to conduct conferences throughout the country for interested participants on the problems and successes of programs designed to aid older persons to prepare for and find desired employment.

– Enabled one non-profit placement agency serving older jobseekers to increase productivity by opening additional satellite offices in high traffic neighborhoods. Placements increased from 400 to 1000 a year.

– Developed two specialized Second Careers agencies, associated with Voluntary Action Centers in two cities, to test methods for servicing employers whose older workers or retirees sought new careers.

– Enabled a neighborhood house in the Bronx to recruit over 1000 older people to serve in a variety of self-help, community improvement, and service activities.

– Provided supplemental support to a group of retired physicians who provide teaching services at public and community hospitals where such services would not be available otherwise.

– Assisted in forming the National Executive Service Corps, a consulting service to important non-profit institutions in the fields of education, health, the arts, religion and social services where the expertise of retired senior executives is needed.

– Financed a policy study by the Committee for Economic Development on the total unemployment problem, with emphasis on successful techniques now in use by private businesses in dealing with the special needs of youth, disadvantaged persons, and older workers.

– Sponsored surveys and reports by The Conference Board on retirement practices of businesses and on the retirement activities of middle to top managers of Fortune 500 companies.

– Financed the planning and development of the Media Resources Center of the National Council on the Aging which has sponsored the 1974 Harris Survey, the national column *Going Strong*, and the campaign on age stereotypes by the Advertising Council.

The National Committee on Careers for Older Americans was created in 1978 to identify workable options for making more effective use of the skills and experience of older Americans in productive work in the economy and in meeting the needs of their communities. The Committee was established initially through a grant from the Edna McConnell Clark Foundation.

ACADEMY FOR EDUCATIONAL DEVELOPMENT, INC.

The Academy for Educational Development, Inc. is a private, nonprofit, tax-exempt organization dedicated to the service of society.

It was founded in 1961 to help colleges and universities solve long-range educational administrative, and financial problems, but the scope of its activities has expanded steadily over the years.

Today, the Academy is active in many areas of education from the primary grades through graduate study; in communication as an art and as in increasingly important form of technology; and in international affairs, where it assists developing countries in planning, operating, and evaluating educational and community development programs designed to improve the social and economic well-being of their citizens. The Academy is also concerned with improving the process of solving disputes between nations.

In recent years, the Academy has received funds from several major foundations to study issues that have significant social implications—including the impact of government programs on the American family, major transitions in the human life course, and ways to encourage older adults to remain active participants in American life.

—Alvin C. Eurich
President